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HOLLAND'S INTERNATIONAL POLICY[1]

THE diplomatic history of Holland[2] since her resurrection in 1813, though following one consistent and clearly discernible line, may be divided into three distinct periods. If a league of nations is formed with the Kingdom of the Netherlands as a member, a fourth period in that history will open.

I

The one outstanding characteristic of Dutch foreign policy during the past hundred years will probably not seem unfamiliar to Americans. This is the extreme disinclination on the part of both the statesmen and the people of the Netherlands to meddle with the numerous and monotonous European intrigues about power, change of power, combination of power, balance of power. This is not to say that Holland has held aloof from international affairs if some higher international interest needed her support. After the United States, in 1803 and 1815, had successfully scourged the Algerian pirates, Holland, in conjunction with Great Britain, took an honorable part in a new repression of this piracy in 1816. In 1863, Holland cooperated with England, France and the United States against a hostile *daimio* in Japan,—a country which was first introduced to western civilization by the Dutch.

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[2] The name "Holland", by which the Kingdom of the Netherlands is popularly known, is here used interchangeably with the latter. In the same way "Dutch" and "Netherlands" are used interchangeably.

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In 1900, Holland willingly joined in the action by eleven powers against China to maintain international law against the Boxer uprising; and in the same year the Netherlands government offered a man-of-war to President Kruger of the South African Republic, in order to transport that old and honored statesman, then at war with the superior force of Great Britain, from South Africa to Europe. But apart from such international cooperation or action, and apart from her cordial participation in many European congresses on international and colonial problems, Holland has pursued a policy of detachment from foreign entanglements. The atmosphere of jealousies, of rivalries, of disputes respecting power, which has so generally pervaded Europe, was not congenial to her; and although she never had a Washington to warn her against "entangling alliances," against a policy that seeks favorites and creates adversaries among foreign nations, the counsel of the Farewell Address was clearly written on the Dutch national mind. When the Netherlands government in April, 1908, signed the North Sea agreement with five other European powers, it took care to state expressly that this understanding involved no alliance; and when a few years afterwards rumors arose of a similar Pacific Ocean entente with Holland as a member, there was some fear in Dutch parliamentary circles lest the old and tried policy might be forgotten.

This Dutch policy of aloofness has not, of course, earned the praise of France, Great Britain or Germany. In order to be praised by them, it would have been necessary for Holland to fall in with the aims of their diplomacy. By maintaining her detachment, inspired by her peaceful inclinations and her distrust of policies of power, she has failed to gain partisans; and the honest dullness of her course, which even the civil war of 1830–1831 with the seceding Belgians, ending in the peace of 1839, hardly interrupted, has been criticised for its negative quality. The misunderstanding, misrepresentation and silence, which this foreign policy has often brought upon the country, could not be obviated even by the fact that Holland had organized and developed in the East Indies a splendid empire of fifty millions of inhabitants; that her engineers had con-

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structed harbors in Chile; that her contractors had improved the rivers of China and the Suez Canal; and that, in view of her small population, her scientific men had won an unusually large number of Nobel prizes.

II

In the last quarter of the nineteenth century, after the close of the Franco-German War, the scene began to change. A new trend developed in European policy. This was the tendency to substitute an international for a merely foreign policy, the tendency to promote common interests, to recognize and uphold the interdependence of nations. Such things move very slowly; but it is indispensable that some one should make a start and lead the way.

There is one great name in the recent history of Holland, bound up indissolubly with her joyful entrance into this disinterested new international policy of Europe—the name of Mr. Tobias M. C. Asser, lawyer, professor, privy councilor, delegate to both peace conferences at The Hague and to many other diplomatic congresses, member of The Hague Arbitration Court and arbitrator in several international disputes. He died in 1913. Holland's international, as distinguished from her national, resurrection is almost entirely attributable to him.

The Franco-German War ended in 1871. Almost immediately, in 1873, the Netherlands government tried to bring about an international conference on an important and difficult, but politically innocent, subject, which is represented in the United States by renowned authors of able works, the conflict of laws. This attempt failed. In 1884, Italy, guided by Mr. Asser's friend Mancini, made a similar effort, but in vain. In 1891, Holland tried again. This time Mr. Asser succeeded, and his success resulted in a series of Hague conferences on private international law. The effects were lasting and increasing, and in 1910 and 1912, when bills of exchange formed the subject of the conferences, the United States sent delegates. In 1911, the attitude and activities of the Dutch government were gracefully recognized by the United States, when it proposed

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to make The Hague the seat of a new series of international conferences for the restriction of the use of opium.

Is not such work conducive to the benefit of the nations of the world and to better international relations? Undoubtedly it is. Does it stir the hearts and the minds of the mass of the population? Undoubtedly not. It creates an atmosphere of disinterestedness and of mutual understanding; it develops what President Butler of Columbia University has happily styled "the international mind"; but it directly appeals only to a small and limited, though important, circle of men of influence and high standing. It is the same with Holland's comprehensive arbitration treaties—the most advanced examples of the kind—with Denmark (1904), Italy (1909) and China (1915). Nor is the fact to be overlooked that Holland, in December, 1913, was the first European country to conclude (through the influence of her foreign minister, Jonkheer Loudon) a "Bryan treaty" for the advancement of peace. All of these treaties showed the progressive spirit of the Netherlands in international affairs, a spirit that was further manifested in Holland's adhesion, in 1912, to the international copyright convention of Berne. When the honorary doctor's degree was bestowed by the University of Leyden, on the eve of the opening of the Peace Palace (1913), upon four prominent promoters of international goodwill—Mr. Elihu Root being among them—the act met with general interest and general approval in the Netherlands.

Meanwhile, events had occurred bringing international problems to the very masses of the population and affecting the international policy not merely of governments but of nations. They came unexpectedly and for Holland had a twofold interest. In the first place there was the meeting of the peace conference at The Hague in May, 1899, a time of bright spring, of the peaceful mingling of the flags of many nations, of reviving hope and awakening idealism. The result was the establishment of the Arbitration Court at The Hague. But the sunshine of the picture soon faded away. The autumn of the same year, 1899, witnessed the outbreak of the Boer War, fought by Great Britain against two free, harmless, democratic nations of

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Dutch stock in South Africa,—a war which, more deeply than any other modern war, even the present war included, struck and shook the whole Dutch nation and opened its eyes to the fatal deficiencies of the present international system, to its lack of impartiality and to the titanic problem of checking foreign aggression and international anarchy. The Boer War taught that even if a country complied strictly with international law and sought neither political nor economic paramountcy, it was, nevertheless, exposed to sudden aggressive war with all its numberless horrors. The first peace conference had neither found nor attempted to find a remedy.

In 1907, a second peace conference met. It was again disappointing. Its draft for an international court of justice at The Hague was not finished; its important international prize court was not accepted (1911) by England. It left the real peace problem, the real disarmament problem, the real problem of maintaining and enforcing international law, exactly as they were before. These problems were decorated with nice flowers of eloquence and of rhetoric, and thus smothered, were put in cold storage to await a third peace conference, to be held at The Hague, eight years later, in 1915.

III

Here lies the beginning, for Holland at least, of an era of new international thought. After the disappointment of the second conference, Holland took the problems of international organization in hand. The problem of how to maintain international law and secure impartial peace has been incessantly discussed in Dutch magazines, Dutch editorials and pamphlets and at Dutch private and public meetings, attended even by cabinet ministers, admirals and generals. It is a problem of interest to all educated classes. As early as 1911, the Dutch government appointed a committee to study and prepare the problems for the peace conference of 1915; a Dutch society brought together in print, in one volume, every thing of importance that had been written on the subject in Dutch, English, French or German; and in 1914, six weeks before the outbreak of war, the committee of 1911 submitted to

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the Netherlands Foreign Office a series of proposals, some of which would certainly, at the time, have been deemed utopian. Thus, several years before the *name* of a league of nations had grown "familiar in our mouths as household words", the *problem* of a league of nations had come to be well known to Dutch readers and Dutch audiences, had been carefully investigated and had repeatedly been brought to the test of public opinion. When, in 1915, the American League to Enforce Peace began to sow its seeds, it found in Holland a well-prepared soil. Likewise, the problem was relatively old when, in November, 1917, the respected Prime Minister, Mr. Cort van der Linden, stated in the Parliament of the Netherlands that a league of nations was the only conceivable means of preserving civilization; and when, in January, 1919, the influential Burgomaster of Rotterdam, Mr. Zimmerman, amid the applause of his city council, declared that Holland would be glad to follow President Wilson's lofty flag.

There was yet another recent experience which strengthened these Dutch convictions. This was the experience of Dutch mandatory services in far-off countries. In 1897, four European powers, cooperating against Turkish misrule on the island of Crete, but distrusting each other, had chosen a Dutch officer to be temporarily the chief military administrator of the island, just as, later on, the great powers placed the police force in Morocco under a Swiss commander and that in Persia under a Swede. In 1913, when the London conference on Balkan affairs wanted disinterested army officers to act as a police force in Albania, a number of gallant Dutch officers was, upon invitation, placed at the disposal of Europe for this unselfish purpose. The report of their misfortunes and their heroic behavior deeply impressed the popular mind. In 1914, the same conference felt the need of unselfish management in a part of Asia Minor, and two general inspectors, a Norwegian and a Dutchman, the latter a distinguished member of the Dutch Indian civil service, were appointed for this difficult task. The war put an end to the work in Albania and prevented its beginning in Asia Minor. But the mandatory system itself, as a means of improving international relations, at least, if the nations chosen as man-

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dataries were without national greed, had become a living thing for the Dutch nation. Holland is often supposed, perhaps with some reason, to be prosaic and materialistic, but no member of the Dutch Senate ever asked, whether it was part of Holland's duty to be her brother's keeper in the east of Europe. On the contrary, the nation felt honored in having been chosen and grateful for what it might be able to do.

Thus, the summer of 1914 found public opinion in the Netherlands, at least with the well-to-do classes, trained and educated in international thinking, still opposed to entangling alliances of the old type but prepared for international organization, clearly perceiving the need of international impartiality and ready to see the nation take its share in the international work of the future.

Yet the proof of the pudding is in the eating and only in the eating. The soundness of Holland's international policy and international opinions is put to the test by her attitude toward the Great War. Has Holland these four years stood by her old policy, or has she abandoned it for a policy of greed and opportunism?

It is well known how Holland's neutrality has repeatedly been advocated and defended abroad. (1) Poor, dear, sweet, tiny Holland, it has been said, poor Holland with her tulips, her cheese, her windmills, her wooden shoes and her country dresses (one would like to add, with her army of more than 500,000 men) was so weak and her geographic situation between the deep sea to the left and a certain devil to the right was so exposed that neutrality was her only recourse. (2) Holland having within her boundaries no iron, no copper, no saltpetre and scarcely any coal, could not, had she entered the war, have continued the manufacture of munitions—that vital element of modern warfare—after a couple of weeks. (3) The entrance of Holland into the war on the Allied side (and this was the only choice possible) would probably have given Germany a chance at once to proceed to the south of the Dutch inundation system of defense toward the Dutch seaport of Flushing, opposite England which, in German hands would have been a very pistol on England's breast, and, therefore, it might

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have proved to be for the Allied nations not a benefit, but a calamity. (4) Holland, as the seat of The Hague Arbitration Court and of the Peace Palace, should try to remain a neutral shelter for pacific intercourse.

There is good reason to recognize the validity of these four arguments in favor of Holland's neutral policy. Yet that policy, though largely influenced by these practical considerations, was inspired by a deeper and more serious motive on the part of both the government and the nation. If it were believed that the war was to be an old-fashioned European war, a fight for economic profit, paramountcy and revenge, only a very small minority of the nation, whatever its sympathies, would have desired to enter it on either side. If, on the contrary, it were believed that it was to be in fact a war between justice and injustice, between goodwill and militarism, a war to urge international law upon a wrongdoer and to do so in an impartial and law-abiding manner, then only motives of a very urgent character (like those of the dark years of the Boer War) would have been Holland's excuse for not taking her part in it.

How was this dilemma to be answered in 1914? When, in August of that year, the war broke out, Holland mobilized with perfect order and celerity, within a day and a half. The unanimous expectation of the people of the Netherlands was that war would be declared on their country within a fortnight; but opinion was divided on the question, from which side the declaration of war would come, whether from Germany or from Great Britain. Overtowering all other sentiments were horror at Germany's action, aversion to Prussian methods of preparing and conducting warfare and sympathy and pity for France and Belgium. We did not then see, however, what had been the aim of Russia's policy; we were uncertain about King Edward's former diplomacy and about Great Britain's real intentions; and though we realized only too well the very great difference between Germany violating the elementary dictates of humanity, and the Entente transgressing international law in its material provisions regarding property and commerce,—ask Dutch sailors about the difference!—yet it appeared as early as August 20, 1914, by the famous Order in Council of that day,

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that the Allied powers had deliberately resolved to deviate from their existing treaties. From the very beginning the Netherlands government felt it to be peculiarly its duty scrupulously to observe treaty engagements and the binding provisions of international law, which had been formulated chiefly at peace conferences held at The Hague and convoked and entertained by the Netherlands. As one of the main grievances against Germany was that she had torn up treaties as mere scraps of paper, Holland regarded it as her foremost duty vigorously to stand by the recent codification of international law, even if this law did not comply at all with her own material interests or with her own national views. To join the Allies in 1914 would have implied the tearing-up of a great many recent treaty provisions, because Holland's influence would not have been sufficient to induce the Allies to adopt new methods. Moreover, in the first years of the war the Allied nations were joined by one or two others whose disinterestedness and love of international justice seemed to the Dutch people to be open to suspicion. Strong as was Holland's sympathy with the Allied cause, this fact increased her doubt whether this war did not possess several elements of the old European struggles of hatred, ambition, jealousy and envy. If Dutch territory were attacked or Dutch sovereignty violated, the country would, immediately and without hesitation, go to war, but not before.

Were it not for this deeper motive for its neutrality, the nation's perfect unanimity would have been incomprehensible and inexplicable. The Dutch are a people of very critical temper, enjoying entire and real freedom of thought and speech and largely using this freedom for self-criticism, as almost every proposal of their government testifies. Holland's foreign policy during the war, however, has been characterized by confidence and unanimity. This is the natural result of the plain, honest, open and faithful manner in which Jonkheer Loudon, formerly Dutch Minister at Washington, conducted Holland's foreign affairs as Secretary of State from 1913 to 1918, a manner that inspired the fullest confidence in him both on the part of the Parliament (the States General) and of the nation, and which must have convinced both belligerent parties that Hol-

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land's neutral policy had nothing to hide or even to disguise. But national unanimity could not have been secured, even by the best foreign minister, had not the underlying principles of the national policy proved to be sound and solid.

It cannot be gainsaid that the circumstances under which this policy had to be pursued were bitterly disappointing. Before the war, Holland had started a development of private and public international law which had to be discontinued after 1914. Before the war, moreover, many of Holland's citizens had been dreaming for several years, as has been shown, of an impartial international organization in which Holland would take her useful part, an organization bound to defend violated rights of nations against reckless and powerful law-breakers. Consequently, when war came, stamped from the beginning with violations of right, the reappearance of the old elements of European intrigue, deviation from binding treaties, lack of impartiality and unselfishness, made it seem to be Holland's duty to stand aside. Though this policy saved her from entangling alliances distasteful to the nation, adherence to it did not seem to be a soul-exalting task; and despite all she did, with warm and open heart, for numerous refugees, deserters, interned soldiers and prisoners of war, she continued to hope fervently that before long a day might dawn in which the duties of international law would wholly coincide with the dictates of the national conscience.

The light came from the Occident. Holland had already begun to regain confidence in mankind in witnessing the self-forgetful labors of the Belgian Relief Fund. The whole nation was intensely moved when, in April, 1917, America's unselfish efforts were thrown into the scales. The whole nation listened breathlessly when President Wilson repeatedly formulated his ideals for a clearer and a brighter future. Had any Dutchmen felt jealous of America on the ground that she could play a part in the war more important than that of Holland this feeling would have been largely overcome by the joyful readiness of the Dutch people to see Holland bear her share in the building-up of a new international brotherhood.

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IV

For a tremendous reform such as this, awakened interest and careful study do not alone suffice. These are certainly the first indispensable stages in the development of international thought, but they are not strong enough to remove mountains; they could scarcely, indeed, remove a grain of mustard seed. In order to replace the international anarchy of the present day by international organization, it is quite necessary—as a third stage—to make the millions of mankind really and fervently wish for such a reform, to electrify the hearts and minds of the masses of the people. What Great Britain's Boer War of 1899 awakened in the Dutch nation, what Italy's Tripolitan War of 1911 failed to awaken anywhere, perhaps because the unspeakable Turk alone was its victim, the recent war awakened all over the world; and yet, without the voice and the constant exertions of the President of the United States, the effect on the millions of mankind would not have been at all what it is at the present day. Even the most violent opponents of either the President or his League of Nations should recognize this simple and undeniable truth.

Did Mr. Wilson's voice reach Holland too? Did it make her a fervent adherent of the Paris draft covenant of February and May, 1919?

President Wilson, speaking in New York on March 4, 1919, on his draft covenant, told of cries coming from the masses in European capitals in favor of "a" league of nations, of "any" league of nations—cries which the President seems to have appreciated, though he himself doubted whether the masses who were crying had any particular notion of what they were crying for. It may be attributable to the prosaic quality of the Dutch people, but it is impossible to rouse their enthusiasm for something vague and wholly indefinite. They value only such measures as can stand the test of bad times and of adversity. If one should submit to a Dutch audience the need of "a" league of nations without further definition, a few young girls, recently become members of a peace society, might applaud and possibly even weep; but the adults of both sexes

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would say at once, "First tell us, please, somewhat clearly what your League of Nations means." They are much too prosaic to fall in love with an empty word, a hollow name.

Have they reason to be suspicious? A few facts will give the answer. In 1895, at Kiel, at a festive gathering of navies from all parts of the world, the Kaiser in an address expressed the wish that these united fleets might one day be permanently called upon to carry out "Europe's mission of civilization". Though this sounded like a prophecy of a league of nations, nobody in Holland doubted that, had this vague mandate been given to the combined navies of the world it would have brought about not a reign of lasting justice, but an arbitrary abuse of irresistible power. It was the same with President Taft's proposal of 1910 (in pursuance of a joint resolution of Congress), recommending to a dozen nations, of which Holland was one, a combination of navies charged with the "preservation of universal peace". It had been the same for nearly a century, during which the European Concert had lapsed into an international despotism. The reasons are obvious. In the first place, the combined powers enforced not a recognized international law, but arbitrary decisions, imposed on sovereign nations against their will and despite their protests, as when, on February 19, 1831, a famous diplomatic conference at London concerning Holland and Belgium, spoke of a thing so extremely vague as Europe's superior right "given her by social order". Furthermore, the enforcing powers were themselves interested in the issue and tried to get as much profit as possible for themselves. And then, too, the decision as to interference or non-interference was a partial one, dependent upon national egoism; the cabinets either winked at patent injustice, because it was not to their national interest to interfere, or else they meddled in things that had nothing to do with the enforcement of international justice. Holland realized that, if a new league of nations should do the same thing, if it should codify and consolidate a similar method of ruling the world, it would, under a charming *name*, cover an ugly Prussian machinery of irresistible arbitrary power. In the many discussions of problems of international organization, held in Holland between

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1907 and 1914, the fear of this danger had been expressed again and again.

Where lies the liberating word? In domestic and colonial affairs nobody doubts that only impartiality and disinterestedness can expel oppression, war and fear. In international affairs, the world has worked along lines of national egoism and partiality for over four hundred years with results but too well known. In the view of the Netherlands Committee of 1911, the international solution was impartiality and disinterestedness. What are the characteristics of a scheme for lasting peace that would probably gain Holland's sympathy?

Impartiality is needed first of all in the organization of judicial and executive international boards. All of these should be entirely free from national and egoistic influences; they should, therefore, contain—as the Netherlands Committee planned for a judicial court—not representatives of special nations, but "international-minded" individuals, chosen from the citizens of any country (large or small) with a view to their personal abilities and trustworthiness in the eyes of all the nations together, and, while the great powers might receive additional votes the membership of every international board should embrace different nationalities. In other words, the members of all judicial and executive councils of a league of nations should be disengaged from national desires to as great an extent as are the members of the Supreme Court of the United States from the interests of the individual states. The Paris draft of the League of Nations provides for quite the contrary. Its Executive Council is a combination of egoistic power, a combination of representatives of nations who will be instructed by, removable by and dependent upon their respective governments, and who will bring the clashing jealousies of their governments into this council. If this combination of power succeeds, there is a real danger that, just as with the European Concert, they will look much more to their combined interests than to the provisions of the covenant.

Impartiality, furthermore, is needed to decide whether the League's international law is being violated and whether interference is, therefore, necessary. This point, on which the

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Netherlands Committee laid much stress, is of great importance. Even the very strict promises in favor of Turkey in the treaty of April 15, 1856, or the promises in the North Sea entente and the Baltic entente of 1908, did not amount to anything, because it was the interested powers themselves that had to decide whether action should be taken or not. The Paris draft does not introduce any impartiality into this crucial matter. It does not entrust the vital decision to an impartial tribunal, but gives it either to the Executive Council with its nationalistic tendencies, or (in another current redaction of the same article) to the members of the League themselves.

Finally, impartiality must be secured in the manner of carrying out the League's decrees against any law-breaking nation. Nothing would prove more fatal to confidence in the League than the spectacle of international punishments stained by the greed for profit of the very nations charged with their enforcement. It was for this reason that the joint expedition of 1900 against China was preceded by very positive promises whereby the cooperating powers pledged themselves not to seek even the slightest advantage for their national interests. The Paris draft does not contain any provision of this kind.

If the Paris draft is truly defective on points so important as those above mentioned—and there are a great many more—opponents of the draft would, according to the Dutch view, do a more useful and more constructive work in pointing out its *international* defects than in laying stress on the incongruity between the draft and certain *national* traditions. For in its *international* defects lies the serious difficulty for any country, great or small, which sincerely and gladly (like the Netherlands) has given its moral support to the principle of a league of nations, and which will ere long have either to accept or to reject a definite covenant. The advocates of the League are quite right in saying that some sort of league must be organized now; its opponents are quite right in answering that everything depends upon the contents of the covenant. The advocates of a league are right in commending a certain degree of international unselfishness in the United States and every other nation; its opponents are right in answering that, if the

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draft should, indeed, create merely a league of combined power, it would only codify old selfishness and jealousies and contempt for treaty provisions. The advocates of a league are right in pleading that the Monroe Doctrine and national constitutional provisions are not the main things in this tremendous worldwide reform; its opponents are right in demanding that there shall be sharply pointed out what parts of constitutions and political doctrines will be changed and what parts will be left untouched. But the latter are never right in resisting a league of nations because they believe their nation strong enough to secure its own national interests without joining in international cooperation. This was the belief of Germany, as expressed in the bold address of Colonel von Gross von Schwarzhoff, at the first Hague peace conference of 1899. Nor are they ever right in saying that they desire international peace, while at the same time opposing all steps in the direction of international organization.

The ugly feature of the dilemma is that the millions of mankind will be aware of mistakes only after it is too late. One can arouse their interest in the idea of a league of nations; President Wilson has unquestionably done much along this line. One can submit to public opinion the scope of a proposed league, its main aims, its checks and balances. But one cannot submit to the judgment of the millions the question whether certain legal provisions are adequate to the solution of the international problems which they are intended to solve. Those who are now (May, 1919) drafting the provisions of the covenant are responsible to their constituents, and heavy will their responsibility be if their draft proves to be an instrument of nationalism and greedy power rather than of peace and justice. In order to help prevent this fatal outcome, the Law Faculty of the University of Leyden proposed in February, 1919, to like faculties in Denmark, Holland, Norway, Spain, Sweden and Switzerland to formulate constructive amendments to the Paris draft in order the better to assure the objects of international justice and impartial cooperation.

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But whence, if Dutch suggestions should prevail, would a real league of nations procure the "international-minded" judges, statesmen, military and naval officers, who are essential to its success? The present generation, educated in nationalism, will scarcely reach the broader and higher view of international politics. Internationalism must be learned and practiced. The Hague Academy of International Law, established as an international body in January, 1914, in compliance with a wish of the second peace conference, but not yet opened because of the war, has the high aim of raising the education of diplomatists, lawyers, military and naval officers and others to this new and broader plane. Holland would be glad to open the academy and to promote its endeavors.

Did the Netherlands herself set the example? Has she already had occasion to show her impartial spirit? Such a spirit would be consistent with the international traditions of the great Dutch Republic of the seventeenth and eighteenth centuries. The Dutch Republic was powerful enough to render herself redoubtable, to menace other nations, yet she never did so. She never sought aggrandizement. The spirit of militarism was alien to her, and she respected the life of other nations as she wished to see her own life respected.

During the present war, the press and public opinion in Holland have done their utmost to learn and to make known the truth on both sides, to be just not only to the Allied nations with whom they sympathized, but also to the Central Powers. Foreigners from both sides who spent some time in Holland during the war acknowledged that their sojourn had rendered their judgment more impartial because of honest information.

In January, 1918, a large group of influential Dutch representatives of commerce, industry, navigation and science established, opposite The Hague Peace Palace, an "International Intermediary Institute", in order to furnish gratuitously full information on international questions of law and economics to citizens of any country or colony. It was intended as a modest manifestation of Holland's genuine interest in the international developments of the near future.

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As soon as the Paris Peace Conference had convened, several small nations made haste to present their claims and desires. But the democratic Dutch nation felt too proud, much too proud, to hold out to the conference a beggar's bowl, and its pride was supported by the profound conviction that, for the benefit of all mankind, the era of national greed and national egoism must be closed.

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THE EXPANSION OF EUROPE II[1]

THE possibilities of investigation suggested by a survey of the process by which the world at large has become Europeanized, are neither so novel nor so interesting and important as those involved in a study of the reaction of its expansion upon the life and thought of Europe itself. For this reason the amount of space devoted to the reverse, or "homeward", movement of expansion must be proportionately greater.

No one, of course, would deny that the Crusades had a variety of effects upon the European countries participating in those feeble attempts at expansion in medieval times. But to affirm that the migration of the European and the diffusion of his civilization during the past five hundred years—the New Crusade whose field of action, instead of the narrow basin of the Mediterranean, has been the entire earth—have been productive of tremendous consequences for Europe, is an idea as yet so faintly apprehended that it requires demonstration at length before its tenability is likely to be granted. On the other hand, one will readily admit that what has happened to the European at home, as a result of what he has done abroad, is intrinsically more interesting than what has occurred to non-European lands and peoples in consequence of his activities among them. The changes, moreover, wrought in European conditions by the process of expansion overseas possess in themselves an importance transcending any that could attach to the effects of that process upon non-Europeans alone. And this is true precisely because it has been the European who has accomplished the mighty task of revolutionizing the world in accordance with his own ideas and institutions. Whether the ultimate effects of the expansion of Europe upon peoples not of European stock will prove to be more significant for the future of the human race as a whole than the course of reaction

[1] Continued from the POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 43–60.

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on Europe itself has been, is quite another question. For the present, at least, Europe is the centre of attention.

Out of the New Worlds in the West and East the achievements of the European have brought forth a New Europe that has continued to speak the languages and cherish the traditions and customs of the former home, that has sought to be freer, richer, more tolerant, less tied to ancient prejudices, more open to progress, and that has served accordingly to influence Old Europe in every phase of its existence. New things have been found, new forms of society created, new kinds of industry devised, new fields of commerce opened up, new opportunities for financial operations discovered, new ideas and new departments of knowledge made manifest and new concepts of national and international welfare evolved, all of which could not fail profoundly to affect Europe itself. Ancient civilizations aroused and energized, primitive beliefs and practices cast into modern moulds by the impact of the European, have yielded to him in return many a treasure, material and mental, by which his life and thought have become vastly enriched and diversified. From all that expansion has evoked in spirit and attainment—the zest of enterprise, eagerness for adventure, fame, wealth, new scenes and new homes, new places on the earth where a greater comfort and happiness might be assured, the introduction of the unknown and an increased use of the known—from its contact, in a word, with new lands and new peoples in America, Asia, Africa and the isles of the sea, Europe has derived new impulses and new developments.[1]

Although the general thesis of "the reaction on European life and thought", as exemplifying the "homeward" movement of expansion, may be stated in this form, even greater precaution must be observed in handling it than when dealing with "the transit of European ideas and institutions" as illustrative of the "outward" movement. For, in a field of inquiry so much less worked, preconceived theories are all the more prone to stimulate an exuberant imagination that will conjure up assumptions and not a scientific consciousness that will strive to

[1] Alfred Rambaud, Histoire de la Civilisation Française (ed. 1911), I, p. 467.

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ascertain the facts. The circumstance that something which has been discovered originated overseas and is admittedly of potential influence on Europe, constitutes of itself no valid reason for believing *a priori* that its operation has been especially powerful. To conjecture, also, that the effect, whatever its magnitude, has been immediate, rather than gradual and perhaps for a long time almost imperceptible, is likely to create a dangerous perversion of the truth.

Similar care is needful in exercising restraint upon an inclination to pursue a given stage of development too far. If any special feature of European life and thought can be shown to be the product of exotic influences, its history, in connection with the expansion of Europe, should be traced only to the point where those influences have accomplished their formative task. What may follow should be regarded as constituting part of the record of development of that particular feature itself and not of the operation of forces emanating from overseas. That the output of mines other than those of Europe, for instance, has had certain effects upon the finances of that continent may be taken for granted; but to indicate what these effects were does not imply any necessity for discussing the general history of European finance in modern times.

Still another preliminary aspect of the matter calls for consideration. In the broadest sense, of course, it is obvious that the entire process of expansion has been one of more or less continuous interaction between the European and the non-European, that what has been mutually given has been as mutually received after subjection to certain changes in a new environment. Convenience in treatment, however, suggests that, if the results of both the "outward" and the "homeward" movements be divided chronologically into two phases, with the close of the eighteenth century marking the line of division, the forces that reacted on Europe during the earlier period should be examined with two objects in mind. Of these, one is to find out how they helped to shape the characteristics of European civilization at the time and the extent, also, to which their respective contributions became integral parts of it. The other is to ascertain the degree in which such forces determined

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the nature of what was communicated by Europe itself to other parts of the world during the later period. Thus, "the transit of European ideas and institutions" since the close of the eighteenth century, is a phenomenon to be explained in the light, both of that which is specifically European in origin and of that which has been imparted to Europe in consequence of the "homeward" movement during the earlier period. But, since this interpretation is implicit in the discussion of that movement as already presented, only the course of reaction proper will now be considered.

At the outset it should be borne in mind that, in order to ascertain the nature of the changes effected by the transplantation of non-European elements to their new environment in Europe, along with the resultant gain or loss to the nations concerned, each of the several aspects of the influence of expansion on European life and thought, which are successively to be discussed, must be examined from the standpoints of both contemporary evidence and later opinion. Assuming that this is done, an inquiry into the social phase of the process might begin with a study of the relation to manners and customs of things material brought from overseas. These would include: commodities known to Europe before the fifteenth century, but not much used on account of their scarcity and costliness; absolutely new objects of consumption; and products of Europe itself or of some other continent carried over to regions where they might flourish more abundantly and be rendered more serviceable in general and thence brought back to Europe. How they have conduced to the growth of comfort and luxury, affected sumptuary legislation, provided means of diversion or entertainment, tended to promote a sense of cosmopolitanism, or merely altered social habits and conventions in one way or another, is a theme that ramifies in many directions. Some of them are indicated by reference to such items as articles of dress, adornment and personal utility, as well as those suitable for the embellishment of buildings and grounds. Others are manifest in the changes caused by the introduction of exotic foodstuffs, beverages, narcotics and diseases. The extent, indeed, to which all importations of the sort from oversea areas

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have become the very basis of physical existence itself in Europe, is a question of supreme concern.

In the foreground of the less material, but quite as important, phases of the social reaction stands the effect of European migration on the size, distribution and character of the population at home. Closely associated with this are the amount of readjustment in their relationships which individuals and classes have undergone and the extent to which conditions abroad have provided opportunites for careers of greater usefulness there or in the homeland. In the same category are the accentuation or diminution of social contrasts and conflicts, the application of methods of relief through the voluntary or forced departure of unfortunate or undesirable persons and the bearing of such measures on crime, vagrancy and other ills. Of great importance, also, is the control exercised by the mercantile classes over commodities coming from or destined for oversea regions in determining the rise of these classes to power over the clergy and nobility and the manner in which factors originally extraneous to Europe have contributed to the dominance of the bourgeoisie as a class in the modern world.

With regard to the effects of expansion on the character and conditions of industry in Europe, it is evident that the opening of new markets overseas for European goods and the importation thence of raw materials would form one phase of the subject. Another would be the manufacture of such raw materials in the homeland and the export thence of the finished articles. How far the demands for commodities produced or producible in Europe have been satisfied, is no less pertinent a query than that concerning the extent to which it has been necessary to manufacture the output of the fields and mines of non-European areas and to adopt the creations of non-European workmanship to meet economic requirements at home and abroad. The new forms of industry which have been introduced, therefore, as well as the old forms that have been modified, must be taken into account.

A further aspect of the matter is the consequences for Europe of the development of competitive industries by Europeans overseas. What, for example, has been the bearing of

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agriculture in the lands to which Europeans have migrated on the tilling of the soil in the home countries? Since the farmers in the latter have not been able to levy constantly on new areas, it seems obvious that they have been compelled to specialize and that many an industrial activity has been diverted from the land to the factory. Doubtless, the soil of Europe, if properly cultivated, might, with some assistance from regions overseas, feed the population of the continent; but it could not clothe its hundreds of millions or supply them with oils and fats. In order to provide the needful amount of foodstuffs, accordingly, European agriculture has been forced to confine itself to the raising of particular kinds of products and to depend upon non-European lands, wholly or in great part, for textile, fibrous and oleaginous materials, to say nothing of fodder. Many of these commodities cannot be raised in Europe or produced there to economic advantage. Hence, the specialization of agriculture as a general European phenomenon might well be attributed to influences emanating from areas outside of Europe itself.

Quite as important an element in the study of the European industrial situation, as affected by oversea influences, is the economic rivalry that has arisen with Oriental lands. European manufactures have had to compete, first, with the products of the long established and elaborately organized handicrafts of the East and, later, with the output of its mills and factories supplied with European machinery and run by cheap native labor. This has had a double effect. It has forced the European manufacturer to learn from the Oriental artificer and to improve economically, if not artistically, on his models, in order to secure an opening in the East for what is turned out from European workshops. On the other hand, the tremendous unexploited resources of Asia in particular, its vast and increasing population and the characteristics that distinguish it, constitute sources of competition that must be reckoned with. The fact that its population is accustomed to a low rate of wages and a low cost of living and yet is possessed of a high degree of intelligence and technical knowledge, as well as of artistic skill fitness for long-sustained effort and keen

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desire for gain, and is capable also of employing European machinery to excellent advantage, cannot be ignored. Added to the force of these circumstances is that of the economic principle which declares that raw materials ought to be manufactured on or near the spot where they are produced. Whether all such factors rising out of the expansion of Europe and reacting upon Europe itself have given, or are likely to give, an impulse there to greater efficiency along industrial lines, to the improvement of mechanical devices and methods of labor in general, must depend upon the ability of European inventive genius to overcome the imitative, as well as originative, capacity of the Oriental by superior achievement based on longer experience in the use of machinery and on greater knowledge of the manifold possibilities of its application.

While it may readily be granted that the products of lands and peoples overseas have served to widen the range of European manufactures and their employment in various arts and trades and, also, to call forth a higher degree of aptitude, skill and ingenuity on the part of European labor, these results in numerous cases have been dependent upon the possession at home of certain natural resources, such as coal and iron. This brings up the subject of the transcendent industrial changes that have taken place in Europe since the middle of the eighteenth century. The migration of Europeans who had opened up ocean highways to the uttermost parts of the earth has been followed by an industrial revolution in Europe, assuring the application on an enormous scale of resources long since available there but never used to the full extent of their potentiality. Forces provided by nature and susceptible of mechanical uses undreamed of by mankind for countless ages have been made serviceable to a marvelous degree. In a sense the world of today is entirely the outcome of the extraordinary transformation that has been wrought by human ingenuity in converting certain treasures above and below the surface of the earth into mighty engines of power and productivity, which have rendered the ordinary conditions of existence prevalent a century or so ago as remote from those of the present time as the millennia of Egyptian dynasties or even the first appearance

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of the *homo sapiens* himself. Such, at least, might be the construction placed upon the views of writers who claim for the Industrial Revolution an accomplishment of changes in the circumstances of mankind more fundamental by far than any effected by a single great factor or movement in history.

But it is precisely at this point that the question arises: Was so radical a replacement of manual labor and more or less crude mechanical contrivances by the driving energy of steam and electricity communicated to frames of steel, something that sprang up quite spontaneously in one European country or in several and from causes wholly European in origin? No one, probably, would deny that what is called the Commercial Revolution had a certain amount of influence on what may well be regarded as supplying the turning-point from "modern" to "contemporaneous" history. The real crux of the matter is, how far and in what respects the Industrial Revolution was the consequence of forces originating beyond the bounds of Europe, set in motion there by Europeans and reacting upon Europe itself. Is there an essential, organic connection between it and such forces, as they were engendered during the period of expansion which preceded it? If so, in what does that relationship consist? This is a query that has not yet been answered in a systematic and convincing fashion. No appreciation, however, of the vital significance of the industrial phase of the reaction of expansion upon European life and thought seems possible without it.

Prone, therefore, as so many historical writers are, to stress the overwhelming significance of the Industrial Revolution, they have failed to perceive any origin for it other than the possession by European countries of coal and iron and the encouragement to the utilization of these resources for mechanical purposes given by agencies risen out of purely European circumstances. If in this connection they refer at all to the achievements of Europeans overseas during the three centuries that preceded, they are apt to group everything that happened under the general designation of the Commercial Revolution, but without attempting adequately to show what the relation between the two "revolutions" was; and whether, in fact, the

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later was a direct outgrowth of the earlier movement. But a term like Commercial Revolution, used as a descriptive title for substantially all that was done by Europeans outside of Europe from the fifteenth century to the eighteenth, cannot fail to suggest error and confusion. Even if applied to the so-called "era of discovery" alone, the expression is at best vague and misleading. Among an immense variety of movements ranging through three centuries, to ascribe such comprehensiveness to a single species of action, whatever its ramifications, creates necessarily a false idea of its meaning. That there was *a* commercial revolution is unquestionable; but up to the nineteenth century it had to do far more with the potentialities arising out of changes in the highways of commerce than with commerce itself. In this sense a "revolution" may be said to have occurred. As such it was simply a part of the expansion of Europe.

In consequence of the broadening-out of exploration over sea and land into distant regions of the earth, which has followed in the wake of the caravel and carrack that fared over unknown waters to the discovery of America and of a route to Asia, quicker, safer and cheaper than any that had been used hitherto, both the highways and the character of European commerce have undergone a complete and radical transformation. A narrow local trade borne on rivers, through inland seas and along the coasts of the continent and its adjacent islands, or else carried on with difficulty along poor or indifferent roads, has been replaced by an oceanic commerce radiating into all parts of the world. For a traffic blocked by obstacles of transport there has been provided an oceanic highway flowing into all the bays and tidal rivers of Europe, an open road leading out, also, to new worlds westward and eastward. Rivers and inland seas of restricted navigability, a coastwise trade that never ventured far from shore, paths or tracks along which beasts of burden might bear slowly and at great expense commodities small in amount and proportionately large in value and a commerce subjected to disturbances bred of more or less incessant local warfare and other violations of public order and common right —these were impediments that an oceanic highway has served

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to remove. It has furnished freedom, mobility and security of transit, a breadth and abundance of opportunity for development, which have been conducive in turn to the increase of European traffic on a huge scale and have enabled commerce in general not only to attain the advantages to which it is entitled as a legitimate branch of human activity, but to become a vitally potent factor in modern society. Through the enterprise of Europeans, a Sea of Darkness, along the edges of which they had once crept in childish terror, has become to them and to the rest of mankind a Sea of Light, over which flit the shadows of craft innumerable. Borne by these craft, imports and exports, converging upon or diverging from European centres of trade and ever increasing in amount and value, have revealed how actively and how constantly the agencies of commerce have served to bind in ties that knit ever closer to Europe and the Europeans the concerns of the world at large. Through the tremendous impulse thus given to world-wide navigation and all that it connotes in stirring the spirit of enterprise, Europeans have acquired the maritime experience which, in this respect at least, has enabled them to make the limits of their influence coincident with those of the world itself.

Another important feature of the transformation that has thus come about is the physical change in the centres of European commercial importance and the shift in location of the formative power wielded by trade over human affairs. From countries bordering the Mediterranean and the Baltic, which in medieval times enjoyed a practically absolute control of water-borne traffic, the dominance, vastly magnified, has passed westward to lands that face directly on the Atlantic or its immediate backwaters. The peoples of the western nations, whose mariners were the first to master the wide stretches of ocean, have become the masters of the world commerce that has been the outcome of its use. Theirs have been the great seaports from which, as so many outlets, migration, exploration, shipping and commodities have flowed in ever-expanding volume. And in recent years, when the peoples of central Europe have essayed to win a place in the commercial sun that shines on the remoter portions of earth, they, too, have sailed over the ocean highway

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made available by their rivals of the west—in peace, if not in war!

But the opening of the oceans to European traffic must not be understood to mean that the changes which have been indicated as consequences of this act came abruptly. On the contrary, they appear to have been extraordinarily slow of accomplishment, despite the promise of immediate and far-reaching results inherent in the discovery of the New Worlds, West and East. A study of oceanic commerce up to the nineteenth century would show, in all probability, that, although relatively considerable, it was much smaller in amount than has been supposed. Whatever the influence of the course of expansion on Europe in other respects, along commercial lines, at least, it seems to have been of comparatively slight significance for several hundred years. It was not much before the nineteenth century that the ultimate effects of oversea trade became very distinctly perceptible. Indeed, it is only since the beginning of the age of steam navigation, at a time when European dependencies ranged well round the world, when new European nations had risen out of vast regions once tenanted by savage or barbarous peoples, when the ancient civilizations of the Orient had been rendered thoroughly accessible to European traffic and when almost every portion of the earth had been brought into a regularity of commercial intercourse, that the eventual consequences of the discovery which took place in the late fifteenth century have been made altogether apparent.

Incidental to these general phases of the matter, the effects of oceanic activities on Europe might be viewed from a variety of other angles. The seas of themselves have yielded of their abundance whale, cod, seal and other creatures that have constituted an important source of traffic. So long as it lasted, the negro slave trade, which was rendered possible on so great a scale by the facilities of ocean transit, became the basis of a correspondingly immense structure of labor, property and mercantile interest in Europe. The relation of sea-borne and world-wide traffic to the improvement of facilities for transportation and communication on land is another point to be considered. As vessels ever increasing in size and tonnage have

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brought with them in vast quantity the products of non-European countries, docks and roadsteads have had to be altered to accommodate them. Roads, tracks and paths, also, over which beasts of burden once plodded their tedious way, have had to undergo radical improvement and to be supplemented by canals, railways and other means of supplying quicker and cheaper modes of transit and connection.

Still other features of the commercial reaction that might be examined are the growth of a mercantile marine and of commercial rivalry among nations, together with the origin and development of chartered companies and similar forms of corporate enterprise. The extent of the changes effected in the nature of the commodities carried to and from Europe and the bearing of this on European trade in general, and the extent to which products extraneous to Europe have stimulated the mercantile faculty for ascertaining the manner in which they might be exchanged to advantage and made thus to serve the needs of a profitable traffic, are further items of interest. So, also, are the possible alterations that have been made in methods of conducting business and in ideas of business relationships, accompanying the increase and diversification of goods on the market. The respects in which the theories and practices of monopoly, of protection and free trade, of mercantilism and neo-mercantilism have been affected by the expansion of Europe on its commercial side, are equally worthy of attention.

Another great transformation in European conditions is that which has been accomplished by the financial revolution resulting from access to mines of the precious metals in lands beyond the sea. Emerging slowly at first and operating for some time in hardly perceptible fashion, it has come to alter profoundly the entire structure of economic life on the continent of Europe. But, as in the case of its fellow in the commercial field, its antecedent relation to the Industrial Revolution stands in need of a much fuller investigation than has been accorded it thus far.

Because of the work of Europeans overseas, stores of silver and gold have been extracted from remote regions of the earth

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and brought to Europe in quantities undreamed of by the alchemists and philosophers of old, who had long sought them through mystic research and magical stone. From the sixteenth century onward, treasure found in America, Africa and Australia has served not only to replenish, but to fill to overflowing, the coffers of a medieval Europe which had been depleted by the withdrawal from circulation of masses of the precious metals and their conversion into ecclesiastical vessels and vestments, by the hoarding of them in cellars of manor-houses and in the carefully hidden strong-boxes of money-lenders and by exportation to an Orient that was accustomed to sell much and buy little. How great the actual amount has been will never be determined with anything like absolute certainty; but whatever it may have been, the fact in itself has far less importance than the actual effects upon the monetary situation.

The consequences of the influx of the precious metals into Europe may be examined from numerous points of view. What had been largely a barter economy, for example, has been replaced by a money economy, upsetting completely the relations earlier existent between money and commodities. Instead of resting chiefly on the basis of an exchange of products of the soil and on an exchange of those brought forth by a narrowly local and restricted handicraft, the economic system of the continent has come to be founded upon actual money in silver and gold. It has come to rest, also, on an exchange of the most varied products fashioned by the skill of mankind everywhere on earth; and this exchange has been reckoned in terms of money. The financial revolution, moreover, has brought on tremendous fluctuations in the value of money and hence in prices, along with an inevitable disarrangement of the pecuniary standards of living.

It was the treasure derived from the exploitation of the mines of America which began the process of relieving the scarcity of money in Europe that had made manufactured articles high in price and had radically cheapened the cost of agricultural products. It served to lift the ban of accusation, so frequently leveled at goldsmiths and merchants, of having artificially low-

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ered the prices of foodstuffs by secreting whatever precious metals were available. It helped to raise governments out of the severe straits that had been responsible for turning kings into counterfeiters and debasers of the coinage. It contributed, also, to the stimulation of credit, to the facilitation of exchange and to taking industry and commerce, as a whole, out of the bondage of infancy.

For a considerable period, however, after the mines of the New World had begun to pour their contents into Europe, prices in and around the chief centres of population, it would seem, tended to rise very materially, while the value of money in the country districts remained substantially without alteration. Then, about the middle of the seventeenth century, the increase in the amount of silver and gold appears to have been offset in a measure by the diffusion of commerce. Since that time the rise or fall in the value of the precious metals and the corresponding influence on prices, have been determined by the extent to which new sources of supply in other parts of the globe have been successively opened up and trade broadened out in proportion.

From the monetary relationship thus established between silver and gold in their bearing upon industry and commerce, numerous problems have arisen. This has been the case notably since about the middle of the nineteenth century, when the stock of gold and silver began to be enlarged enormously in comparison even with that which had been obtained during the previous three centuries. That the results of this increase are extremely difficult to trace, is merely an evidence of the complexity that characterizes economic development in recent times. When the additional supply has been chiefly in gold, the effect has been to create a distinction between the two metals, without, however, raising or lowering appreciably the value of silver. It has served to introduce changes into the currency of European countries that have the bimetallic system and has led to the adoption of the gold standard. It has also accelerated the flow of silver, accompanied in some measure by gold, from Europe to the Orient—an age-long phenomenon that is likely to pass away in proportion as the East feels more

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and more the impact of the forces communicated by European industry and commerce in this era of mechanical invention. In the same connection, as railway systems have developed and freer trade relations have been set up, the course of distribution, instead of neglecting the backward areas in one country or another, as was formerly the case, has benefited them; and a greater equalization of prices has been assured, even if the latter have been raised in amount. Wages, too, have been increased more or less proportionately.

On the other hand, when the additional supply has been largely in silver, the consequence has been to lower the price of that metal in gold, even if prices of commodities in countries having a silver standard remained stationary. More than that, it has been conducive to the propounding of novel monetary theories, such as bimetallism, with the object of alleviating the commercial depression which, in countries where the gold standard prevailed, had followed the fall in prices. Such indications as these serve merely to illustrate how close a connection has been established in modern times between the outcome of the financial revolution on its monetary side and the economic development of Europe as a whole.

That revolution, moreover, has made possible the existence of mobile capital and, accordingly, of credit on a huge scale, suggestive of an almost limitless enlargement of industry and commerce alike in Europe and overseas. What this has meant for the development of mercantilism, old and new, for the accumulation of immense private fortunes to the advantage of the bourgeois class, for the relative benefit or detriment to the wage-earner; its bearing upon the relationship between wages and prices and the extent to which the two have tended to become more equitably adjusted; how far governments, accordingly, have been compelled to regulate wages and to fix prices—these are all so many additional questions raised by the financial reaction on Europe of European enterprise in other parts of the world.

As in the case of the commercial revolution, the advantages or disadvantages of the process have accrued mainly to the countries of western Europe that have engaged most actively in

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the work of expansion. The power of the purse, wielded in medieval times by the lands of central Europe, has passed westward to those along the Atlantic seaboard. In consequence of their achievements overseas, it is they that have erected great stock exchanges and banks, that have received the strongest incentives to speculation, that have been afforded the most abundant opportunities for taxation. It is the nations of western Europe, also, that have been most enabled to spend vast sums for dynastic or national purposes, to equip huge armies and fleets, to construct magnificent buildings, to reward the genius of artists and with their enormous wealth to do in general many things that the limited means of the period before the age of expansion had not permitted. They have had, it is true, to bear the burdens of dependencies which yield more deficits than revenues; but what they have gained in other respects makes the loss quite endurable. Emulators they have had to the eastward, rivals on the sea and overseas, to which their spirit of progress has been communicated. The nations of western Europe that have been the pioneers remain, nevertheless, the chief financial possessors of whatever the earth that they have mastered brings forth.

[*To be concluded*]

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THE FEDERATION OF INDIA

IN India the war has greatly strengthened the demand for democracy and self-governing institutions. It has also made it increasingly difficult for enlightened Englishmen at home to justify the continuance of the old autocratic British régime in India while fighting autocracy in Germany. What has been called "the most momentous utterance in India's checkered history" was the statement made in the House of Commons on August 20, 1917, by Mr. Montagu, Secretary of State for India, when he defined as the new aim of British policy "the progressive realization of responsible government in India, as an integral part of the British Empire." The result of the new policy was the mission of Mr. Montagu to India for the purpose of conducting an inquiry into its political and constitutional problems and of preparing in cooperation with the Government of India a plan of reform that would give effect to the announcement of August 20. This plan, known as the Montagu-Chelmsford Report, was published in 1918.

Even before the war the situation in India was rapidly becoming impossible, and nothing but the war and the restraints which that struggle for a time imposed upon all, have made possible the continuation of the old régime down to the present. Even the Government of India called out for a new policy and, we are assured, hailed its promulgation with relief. Within ten years the Morley-Minto reforms, issued with the announcement that they were all that India need expect for a generation, have broken down. The Montagu-Chelmsford Report sees three cardinal defects in their working. Municipalities and district boards still rest under official control; there is no financial freedom for the provinces; and Indians, in spite of promises, are debarred from the higher administrative posts. These defects are real, but no one who studies the report and who understands the India of today will doubt that they touch only the hem of the subject. They would not in themselves cause the

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new councils, heralded with such hopes on the one side, and so many misgivings on the other, to be described as "a cynical and calculated sham". They fail to account for the continued agitation in India and for the persistent and now overwhelming demand for a new constitution. Such as they are, the Government of India cannot divest itself of a share of the blame for them; it cannot claim that it faced the new conditions in a broad and generous spirit. But the real cause of the failure of the Morley-Minto reforms is that they did not adequately meet the existing demand for self-determination and that they contemplated an India almost static as in the era of Company, not in movement as today. Instead of planning for the future, they provided for the past.

In the light of this experience it is obvious that, if the reforms proposed in the Montagu-Chelmsford Report are to offer more than a brief pause in the protracted and unworthy struggle between the government and the peoples of India, they must be adequate to the present situation and elastic as regards the future. Indian protest is not confined to a limited *intelligentsia*, as some would still vainly have us believe. There might have been an element of truth in that assertion twenty years ago; there is none today. Now it is a nation which moves. And its ideal is the ideal of self-government. You might as well try to thrust India back into the stone age as expect her to give up that ideal. True, the telegrams received by the English press do not convey this impression. They talk of "extremists", "agitators", "politicians" and all that jargon by which the enemies of national change are wont to decry the enthusiasm and belittle the importance of their opponents. India is pictured through purely European eyes and rather myopic ones at that. The actual situation, as will be evident to any one who takes the trouble to make himself acquainted with both sides of the case, is quite otherwise. Everywhere there is enthusiasm, everywhere the tide of national feeling flows more and more strongly. Soon it will cover the few spots of land as yet untouched. Even Dr. Nair may find himself engulfed. Nationalism is transforming India as completely as the revolution of 1789 transformed

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France. Seeing that the report is, as internal evidence shows, largely influenced by the Government of India, it seems little likely that the reforms recommended may go too far. The peril is rather that they may fail, as the Morley-Minto scheme failed, through timidity and shortsightedness.

It is a commonplace with the foes of reform in India to argue that Indians, before being trusted with political power, must learn the art of local self-government in the municipalities and the district boards. The existing situation, as the report rightly states, places such a proposal quite outside practical politics. The very officials, indeed, who uphold this doctrine have not hesitated to limit the responsibilities of local boards and to maintain over them a minute official control. But the whole contention is false, for local self-government, though it teaches administration, leaves untouched the broad field of legislation and general policy. A man inspired by high ideals may be an excellent legislator on the subject of education, for example, though he may not shine in the everyday drudgery of municipal work. On the other hand, officials have made many boards highly efficient, but the educational record of officialdom is deplorable. Both administration and legislation are necessary for good government, but proficiency in the one does not imply proficiency in the other.

In perhaps their only touch of acerbity Mr. Montagu and Lord Chelmsford urge that there must be "no further hesitation or paltering about changes in local bodies." Probably they had in view the fate of previous orders on the subject. Lord Morley in paragraph 33 of his dispatch of 1908 made no doubt that the Government of India would act on Lord Ripon's resolution of 1882 and give the fullest possible liberty of action to local bodies.

Sed aurae
Omnia discerpunt et nubibus inrita donant.

Why are these bodies still kept in leading strings? The answer is writ large in the resolutions of the Simla Government. In truth, human nature being what it is, centralized governments will always find a hundred excuses for clinging to power. There is no dishonesty in this. They have come to believe that they

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alone can efficiently administer—*extra ecclesiam nulla salus*—and with this belief they will never willingly relax their control over local boards. To secure really popular control there is only one way. Inside control must be abolished and powers of interference from outside definitely restricted to certain specified acts of malfeasance or neglect. In every other respect local boards must be left free to work out their own salvation within the limits of the law.

It is common ground with both Europeans and natives that the provincial governments should be set free from their present irritating bonds, so that each may be master in its own house. Outside a narrow official clique the Government of India has few friends. Its interminable delays, its ignorant attempts to regulate details of provincial government, to enforce uniformity where variety is called for, its intense centralization and its aloofness from the toil and dust of daily life, especially of mercantile life, estrange it from all. As an able chief secretary once remarked to the writer, "The Government of India is always wrong." On all hands, then, the proposal of the report to confer a great measure of independence on the provincial governments will be heartily welcomed. But it is precisely here that the importance of a definite object, of defining the angle of vision, becomes manifest. Are the authors of the Montagu-Chelmsford Report merely stripping the central government of certain controls, acting in fact like a kind of glorified decentralization commission, or have they in view some definite polity? On this subject the report is silent. In one portion, indeed, the writers, stricken by "the-fear-of-giving-oneself-away disease", permit themselves to indulge in a vision of an India "with the external semblance of some form of federation." This vision, however, they are careful to relegate to the distant future. Elsewhere the possibility of federation is explicitly denied on the ground, forsooth, that, as the provinces have no powers to give up and the government is unitary, there can be no *foedus*. The last chance, it is averred, was in 1774, when Bombay and Madras had rights to surrender. That is sheer pedantry. The essential point in federation is that the component states should each possess a corporate life, common

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interests, historic traditions of its own. Is this true of the Indian provinces? Undoubtedly, it is. Then they are fit subjects for federation. It is immaterial whether they come together as separate entities surrendering in a *foedus* certain individual rights, or whether they do so after control has been exercised over them by a central government at Simla. A proposal, ably supported, is now before Parliament to federate the British Isles, where, of course, the government is unitary. If the people agree that federation is expedient, they will certainly bring it to pass, *foedus* or no *foedus*.

If, then, the Indian provinces are suitable subjects for federation, is the federal form of government expedient for India? Is that the goal toward which we should set our steps? Surely so. India is a vast subcontinent containing various peoples differing in race, religion and civilization, yet with a common culture and outlook, whom it is desired to bind together in an organic whole, while preserving the priceless gifts of local life and local initiative. Here, if anywhere, is an ideal case for federation. In the broad view, is any other polity possible, even thinkable? Look around at the United States, at Canada, Australia, South Africa, at all peoples who in modern times have sought to combine the unity of the great nations with the initiative, the intense life and patriotism that flourish with small peoples. Everywhere we witness the principle of federation adopted and adopted with success. Not "the outward semblance of some form of federation," in the halting words of the report, but federation itself in the precise modern sense is beyond question the future form of Indian government. That, then, should be the end and object of Indian constitutional reform.

In the case of the provincial governments, the report recommends the single-chamber system, a proposal that should command general assent. True, some federations, for example, the United States, have bicameral legislatures in the states, but there seems no very good reason for their introduction into India, and Indian opinion, at any rate, is averse to it. The further proposal to divide all matters into two heads, the reserved, under the control of the governor's executive council,

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the transferred, under that of the elected assembly, will give rise to heated discussion. Much, of course, will depend on the division finally recommended. And the division should take place, not by naming the subjects to be transferred, but by naming those reserved, *all others being under the control of the popular body*. This is important. With these provisoes, this proposal, which is indeed the key-stone of the report, certainly appears to be the best way out of a difficult situation and to provide the needed intermediate stage between bureaucratic control and democratic government.

But the scheme, in the form in which it is advocated, is marred by a vital defect. The minister or ministers in charge of the transferred portfolios, though selected by the governor from the assembly, will hold office during its lifetime. They will be no more removable by it than the German chancellor was removable by the Reichstag. That is not education in responsible government, and it is mere sophistry to describe it as such. Moreover, it would prove in practice unworkable. There would be no identity of will. Suppose, as will quite probably happen, that the minister does not command the confidence of the assembly in his policy touching the transferred subjects. What will happen? He cannot be removed during the lifetime of the assembly, nor will the latter assent to his proposals. Result, a deadlock. On every ground, then, the minister should vacate office when he ceases to command a majority in the assembly. In this view the further proposal that a minister should continue in office if reëlected by his constituents—which would make the government of a whole province subservient to the vote of a random electorate—will also fall to the ground.

The disappearance of the official *bloc* in the provincial assemblies will be hailed with relief both by officials and by the people. This system, which degraded high officials to the level of supers in a theatre, has availed nothing to soften the bitterness called forth by the consistent rejection of all non-official measures. It has all the disadvantages of the simple veto, with others of its own superadded. The system of grand committees for reserved measures, though not ideal, should mark a

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distinct improvement. So too should the power of popular control over the budget, after allotments shall have been made for the Government of India and for reserved heads. But there must be full powers of taxation, outside the heads reserved to the central government, and of borrowing. Better, far better, that the provinces should pay a slightly enhanced rate of interest on their loans than that their rate of progress should be hampered and their sense of responsibility undermined by meticulous control from Simla. The men behind the new governments will not be exactly babes and may be trusted to look after provincial interests in money matters.

As with reserved and transferred heads in the councils, so with heads of provincial taxation and legislation, it is of first importance that those allotted to the higher power—in this case the Government of India—should be scheduled and not those of the inferior. This is the rule with most federations—Canada is an exception—and the reason is obvious. Whereas the inferior can scarcely encroach on the domain of the superior, the latter may, and probably will usurp functions of the inferior. "*D'interprêtation en interprêtation*," a writer has acutely remarked, "*le gouvernement central irait toujours absorbant, envahissant et rêduisant les attributions des êtats.*" And if this provision has been found necessary in countries accustomed to full or partial popular control, how much more is it called for here, where there is in question a supreme government saturated with intense centralizing and bureaucratic traditions?

For most Indians and not a few Europeans the most disappointing portion of the Montagu-Chelmsford Report will be that dealing with the Government of India. This is left practically unreformed. True, the official *bloc* disappears from the Imperial Legislative Assembly, which will have a large popular majority. But the Assembly is shorn of all power by the creation of a second or nominated chamber, to be called the Council of State, created avowedly to serve the purposes of the former *bloc*. Nor is the reason for this far to seek. Unlike the famous report of Lord Durham, the Montagu-Chelmsford Report has been influenced by supporters of the existing

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régime. It is signed jointly by the Viceroy, who is and has always been very much in the hands of the Simla officials, while the tour of the Secretary of State in India was "conducted" by the same persons. Is it surprising, then, that the report bristles with excuses for the failures, both administrative and political, of the Government of India, or that again and again it harps on the need of maintaining the responsibility of Simla to Parliament? Responsibility to Parliament! What does this mean in practice but absence of all real control, liberty to rule in accordance with bureaucratic traditions. Did this responsibility avail to prevent the Mesopotamia muddle or ten years of agitation and of gathering thunder-clouds under the Morley-Minto constitution? Though that constitution was, as already stated, foredoomed to failure, its collapse had not been so complete but for the attitude of the Government of India. Imagine an auditor charged to inquire into the affairs of a bank which was going badly. If his report were signed jointly by himself and the chairman, would it not call up a smile to read that while the branch establishments needed reform, the directorate and head office, being responsible to the shareholders, must remain unchanged?

The Government of India is charged by Indians with being the head and front of offending; they see in it the soul of that bureaucracy which is choking their life and destroying their self-respect. The keystone of all good government is the self-respect of the individual, but against that ideal Simla has warred and will ever war. No scheme which leaves the Government of India practically untouched can command even temporary assent, nor, looking to the history of the Morley-Minto constitution, will Indians believe that under it any reforms, however well designed, can have a fair chance of success. *There can be no real reform in India without reform of the Government of India.* The addition of another Indian to the executive council is quite insufficient. Nor is a bureaucracy which has turned a deaf ear to the elected members of the present council, likely to be influenced by the votes of the proposed legislative assembly or, what it really amounts to, advisory council. The least measure that offers any hope of

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satisfaction to Indian aspirations and of reform in the central government, would be the division of the portfolios into reserved and transferred, the latter, as in the provinces, in charge of a minister or ministers having the confidence of the assembly. Elected, as that body will be, on a restricted suffrage, there need be no fear of wildcat resolutions or revolutionary legislation. The debates in the existing council show the innate moderation of Indian statesmen and the sobriety of their views; they compare not unfavorably with the proceedings of the Imperial Parliament. Such a measure would do more to quell any "anarchy" or "sedition"—the Indian Government makes play with these words exactly as did Napoleon III with *le Spectre Rouge*—than the recommendations of fifty Rowlatt Commissions with their truly Prussian outlook. It would signalize to Indians that England was indeed in earnest in the desire to place them on the road to self-government and that she did not cherish one ideal for the rest of the world and another for India. At present educated Indians charge the British with hypocrisy. It is a stigma that may require some living down.

There is indeed a lion in the path, though he does not live in India. If, as should be the case, the imperial budget were placed under the control of the assembly, the latter would, in all probability, impose protective duties. As the report truly states, there exists in India a general and strong feeling on this subject. Such a possibility will rouse the hostility of Lancashire and, we may assume, of the Indo-British Association. But is it right, is it just, is it in accordance with British traditions of fair play to bind India in economic thraldom to the United Kingdom? Why should there be one law for the colonies and another for India? There is no plea for such a policy except the shameful one of self-interest. Even those who have forgotten the lesson of the tea chests in Boston harbor might have some regard for the fair name and the reputation of England among a fifth of the human race. She has dared to overrule Lancashire in the matter of the cotton duties. Does she not dare to set aside the whole evil fabric and allow Indians to regulate their finances according to their own wishes? Will a nation that has not shrunk from a death grapple for the

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sake of liberty fear, at the bidding of interested men, to grant a boon for the sake of justice and honor?

Unhappy as is the scheme with respect to the powers of the Indian Legislative Assembly, it is not less so as regards the constitution of the Council of State. The *raison d'être* of the council is frankly to serve the purposes of the defunct official *bloc*. Surely that is a rather short-sighted view. Assuming, as we ought to assume, that the goal of Indian government is federation, the upper chamber should be designed to represent the provincial governments, at first perhaps with a strong official tinge in the membership, but still to represent these governments. In most federations the object of the first chamber is to reflect the views of the governments of the states, that of the second, of the people as a whole. One stands for local autonomy, the other for unification in the great essentials. Together they ensure the full development of national life, while preserving what is equally precious, the local life and independent being of the component states. This, and not the saving of official face, should be the general idea underlying any scheme for a reformed central government. Remember, the Simla Government is no organic part of Indian national life, born of the soil and endeared to the people by a thousand ancient traditions. It is an artificial domination imposed from outside. There is, then, no question of amending it continuously, piece by piece, so as to conserve its life and spirit. The bureaucratic spirit is precisely what we want to get rid of. The better course seems to be to bear steadily in mind the future federation of India—a future which may be much closer than many now suppose—and to frame reforms so as to facilitate the introduction of such a polity.

The report concludes with some excellent recommendations on the British aspects of Indian government. The reform of the Secretary of State's Council so as to make it, not as now a citadel of bureaucracy, but a body really conversant with the conditions of a changing India, the placing of the Secretary of State's salary on the British budget and the appointment of a select committee in the Commons, are all steps in the right direction. They will inform Parliament's control and stimulate

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its interest. So, too, is the revival of the rule that prevailed in the days of the East India Company, that of a periodical commission of inquiry into Indian affairs. But the period proposed —ten or twelve years—seems much too long. Things in India march quickly nowadays. There are more changes now in five years than there were in twenty under the company. It will probably be found that after the lapse of five years there will be ample grounds for the issue of a parliamentary commission.

The problems raised by the memorable report of Mr. Montagu and Lord Chelmsford are indeed worthy of all the statesmanship, all the genius of Parliament and the nation. Their settlement has admittedly been too long delayed. Though Orientals are proverbially patient, there may be limits even to their self-restraint. The gravity of the situation in India is still quite unrealized in England, but that it is grave, any false step inspired by reactionary counsels will quickly make manifest. It will not do to belittle, to ignore or to despise Indian nationalism. We are face to face with a gigantic movement, the greatest save one in human history. But yesterday it was feeble; today it is strong, it electrifies all the confines of India; tomorrow it will be overwhelming. Can we set bounds to the march of three hundred million souls or bind with cords the swelling forces of an empire? The only way to success, the only way compatible with statesmanship and with the fair name of England, lies, not in listening to the prattle of ex-officials, dreaming of a dead past, or to the sophistries of a government that clutches at departing power, but in honestly joining hands with India and helping her forward.

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POPULAR CONTROL OF GOVERNMENT

THREE SCHOOLS OF OPINION IN THE UNITED STATES WITH RESPECT TO BUDGET-MAKING

FOUR conditions are essential to stable, effective democratic government: (1) consciousness of common ideals and purposes to be realized; (2) organization to secure these ends; (3) leadership, an essential to cooperation; (4) popular control to make the organization and leadership consistent with the conscious ideals and purposes of those who are served. The American people are moved by the highest ideals. They have developed a genius for organization. But in government they have purposely deprived themselves of responsible leadership and, consequently, have not developed an effective mechanism of control over leadership. In other words, the means for making popular control effective being lacking, leadership has been irresponsible and the government has not been popular.

The purpose of a mechanism of control over government is not to develop or to use power, but to regulate the development and use of power. In a democracy its purpose is to enable the people through their representatives to make their political engines and all the machinery of public service responsive to their will by controlling them in the same manner that the Allies controlled the merchant marine of the world during the war—to control the movements of the ship of state by controlling its fuel supply. The people having by a fundamental agreement entrusted control over the fuel supply to their representatives, these representatives, if there is to be popular control of government, must be able to require the captain of the ship to tell, in any degree of detail that may be desired, what he proposes to do as well as what he has been doing, how much coal and oil he needs to make port and, in case he has not used it in the manner prearranged, to refuse to provide more fuel till a new captain, deemed more trustworthy,

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has been put at the helm. The American people are sailing a large fleet, comprising one flag ship and forty-eight smaller ships of state, to say nothing of some lesser craft, and the organization and mechanism of control over them, the process of enforcing responsibility upon the captain and crew of each, are of the utmost moment. The question of control over government is as important as "liberty" or "justice" or "general welfare". It involves the vital interests and opportunities of every citizen.

Budget-making is a process in the operation of the mechanism of popular control over government. To repeat the much-quoted statement of Gladstone, the greatest mill-wright of democracy that the Anglo-Saxon race has produced: "Budgets are not merely affairs of arithmetic, but in a thousand ways go to the root of the prosperity of individuals, the relations of classes and the strength of Kingdoms." Budget-making is something which, if considered at all, must be integrated with that part of our moral philosophy which concerns itself with the interrelations of people and government. This is what gives to the subject its place in the literature of democracy.

There is a point of more than passing interest in the observation made by an East Indian philosopher while visiting America. Being asked about the attitude of his people toward British rule, he said:

> The British do the rough work of government very well. They seem to like that sort of thing and we are glad to be rid of it. Other people gifted in the art of organization have come down upon India and taken over her public service. To some, we paid very dearly and got little in return. But the British—they are good servants; they are courteous; and on the whole they have proved to be honest. They do the rough work of keeping order; they protect our borders from invaders; they carry the mail and parcels; they build and repair our roads, clean our streets and do a lot of other useful things, so that we are free to do pretty much as we choose.

Kipling, in his *White Man's Burden*, has stated the British imperial theory of the service rendered to dependent peoples. The East Indian's idea of freedom was that he had a white man

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working for him. It differs radically from ours in one respect, but is quite consistent with it in another. The idea that government exists to serve is a fundamental principle of democracy. The individual member of a democratic society is usually glad enough to be rid of "the rough work" of satisfying those wants which common necessity and convenience create,—glad to be rid of the need of carrying a gun and of bearing the burdens incident to life in a primitive state of society in which each man or family stands alone as an isolated protective and producing unit. He is glad to avail himself of the benefits of broader and still broader cooperation made possible through a well ordered and highly developed and centralized public service, provided this is subservient to public opinion—to the will of the majority.

But democracy has no sympathy with or interest in any philosophy which stops short of popular control over government. It insists upon political as well as individual freedom. It conceives that without the right of group self-determination, individual liberty has no guarantee; that members of the group have the right to organize and decide what laws they shall have for the regulation of their conduct, so that each may have equal opportunity, and each may enjoy the full benefit of association; that members have a right to settle among themselves which services or activities shall be left to individual initiative and which shall be organized and conducted in common. These are matters to be determined by "common" sense and not by a benevolent paternalism.

When an American takes off his hat to the Flag, whether he stands alone in a foreign land or before an armed force that has the power to overthrow a kingdom, he does so neither in token of servitude nor with a feeling of superiority to public service, but as a mark of respect for the power and sovereignty of the people, for the majesty of a self-governing society of a hundred million citizens of which he is a member. He does so as a token of loyalty to his countrymen, who, conscious of their interdependence as well as their strength, and bound together by common ideals and purposes under a constitution of permanent union, are ready to respond as a group with all

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the might that is in them, if need be, to any appeal or impulse which inspires common action. To Americans, government is their own creature, their own means of giving expression to a dominant national will, and to them the idea of its thwarting that will is intolerable. It is of the essence of democracy to insist on popular control over governmental agents, by peaceful means if possible, by violence if need be.

Democracy must possess and control all of the organized means of protecting its interests as it understands them. In other words, the people themselves must be the master. When, therefore, those who are employed or who by self-appointment undertake to do "the rough work" of rendering common service, incur the displeasure and lose the confidence of those whom they serve, it is time to change servants; and if those who are in possession of the implements and institutions of service use these resources to fortify themselves and remove themselves from popular control, democracy claims the right to tear down such part of their institutions, public and private, as give them shelter, to enable the people to put an end to practices hostile to concepts of justice. This is the right of control by revolution—the fundamental doctrine of the Declaration of Independence.

But democracy does not stop here. Revolution, though justifiable under circumstances such as are described in the Declaration, is tyrannical and wasteful. The only useful thing about it is the social impulse which it serves. The highest welfare of the people depends on discovering some method of control which will not require them to tear down their house in order to oust their servants. The author of the Declaration did not stop in his thinking about democracy with a formulation of the right of revolution. Just twenty-five years after the Declaration was signed, lacking three months, on the fourth of March, 1801, Jefferson put forth another declaration of principles which, in his opinion, would, if applied, make revolution unnecessary. Independence had then been won and no foreign foe threatened; a constitution of perpetual union had been adopted; a new house of their own design had been built by the people to live in; and for twelve years the same servants

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had been employed to run it. But in this new house there had been trouble between the servants and the members of the household. Many of the latter complained that the former were seeking to free themselves from control. There was growing discontent among the people, bordering on revolt.

When in 1801, Jefferson, apostle and prophet of democracy, addressed his fellow countrymen, he was protesting against the aristocratic tendencies of the federal government; at the same time he urged the preservation, "in its whole constitutional vigor" and "as the sheet anchor of our peace at home and safety abroad", of that government which had been set up by the fathers "to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to themselves and their posterity." To make sure that this should be preserved, he laid down in his first inaugural address what he understood to be the principles of democracy, among which were these: (1) "A jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped by the sword of revolution where peaceable remedies are unprovided;" (2) "absolute acquiescence in the decisions of the majority, the vital principle of republics, from which there is no appeal but to force;" (3) "the diffusion of information and arraignment of all abuses at the bar of the public reason". Another principle, not listed by him, was implied in the concluding paragraph of the address: "Relying, then, on the patronage of your goodwill, I advance with obedience to the work, ready to retire from it whenever you become sensible how much better choice it is in your power to make."

Jefferson's mind was not analytical, nor did he have Gladstone's faculty for making institutional adjustments, but he was gifted with clear vision and sound instinct in things democratic, and in enumerating what he believed to be the fundamentals of democracy, he included the four principles which have subsequently been adopted and enlarged upon, recognizing them as essential to an effective mechanism of popular control over government. These essentials may be expressed as: (1) popular election; (2) acceptance of the judgment of the majority as a

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rule of political justice; (3) arraignment of those in charge of the administration for trial on evidence; (4) the right of appeal to the electorate or popular recall—in the broad sense in which that term is hereinafter employed.

It must be remembered that not one of these four principles of control had been institutionalized up to that time either here in America or in any other country. The mechanism of popular control over government by any method other than revolution was as yet wholly undeveloped.

But here were the principles, and, as in the case of the principles of mechanics, means had to be found for their integration into the scheme of things with which men work, in order to make them of practical consequence. As suggestive of the fundamental importance of these four principles and also as indicative of the time required for an institutional overhauling in the process of adjusting new devices, these facts should be noted: It was not till after half a century of agitation and two partisan overturnings here in America, the Jeffersonian and the Jacksonian, that manhood suffrage took electoral control out of the hands of the propertied classes. In most of our states, where women have not yet been permitted to vote, the "right of election by the people" is still an issue. In Great Britain, electoral readjustment to a basis of manhood suffrage came later and more slowly, beginning with the Reform Act of 1832 and continuing to the present time.

Great Britain has long been schooled in the principle, "acquiescence in the decisions of the majority". But it had only a qualified meaning. The controversy over the right of the House of Lords to overrule the Commons—the representatives of the people—was not finally settled until the twentieth century, and even now the will of a majority of the representatives of the people may be held in abeyance till confirmed by subsequent expression. In America at the time of the adoption of the Constitution there was great fear of majorities; and it was not till after the failure of many efforts to thwart the will of the majority, including the Whiskey Rebellion, the movements culminating in the Kentucky and Virginia Resolutions, the Hartford Convention, South Carolina's Nullification

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and the Civil War, that the operation of this principle, as far as provided for in the Constitution, came to be accepted in its national application.

The importance of the third principle (the arraignment of the administration before the bar of public opinion, to be tried on evidence) had been recognized in part in England ever since the days of Magna Carta. A representative body, sitting regularly to review the acts of the administration and to refuse support until its members were satisfied that administration proposals should be supported, gradually came to be an accepted institution of constitutional government. Whether the constitution was set up by an aristocracy or a democracy, this was thought of as essential to responsible government, to the enforcement of political as distinguished from legal responsibility. Magna Carta was forced upon King John by a group of aristocrats, who commanded in their armed retainers the force necessary to apply the principle of control by revolution, if the principle of continuous control by peaceful means was not accepted.

More than six hundred years after the barons at Runnymede had made their experiment in the mechanics of control over government, after autocracy had gradually yielded to democracy as the controlling force in the English state, John Stuart Mill gave it as his view that the following were the true functions of the House of Commons:

> To watch and control the government; to throw the light of publicity on its acts; to compel a full explanation and justification of all of them which any one considers questionable; to censure them if found condemnable; to be at once the nation's committee on grievances; an arena in which not only the opinion of the nation, but that of every section of it, and as far as possible, of every eminent individual that it contains, can produce itself in full sight and challenge full discussion.

In other words, Mill's view was that the representative, deliberative, appropriating body was not a mechanism for leadership but a mechanism for the exercise of control over leadership. This was his contribution to a broad propaganda which was then in progress in England under the leadership of Gladstone,

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the aim of which was to perfect the processes and institutional adjustments necessary to make the third Jeffersonian principle of control effective in the English system of government. Early in the century, about the time of Jefferson's inaugural, the first step in this direction was taken in England by establishing the principle of responsible leadership, the principle, namely, that if anything goes wrong, some one must be answerable for it, some one must be "arraigned at the bar of public opinion". That person was the prime minister. And to make responsibility certain, it came to be accepted that his whole cabinet was on trial, on the theory that the prime minister was responsible for them and that they must stand or fall together. This was a measure of justice, since it at once insured loyalty to leadership and provided for locating responsibility.

The next step was to constitute the House of Commons a court of inquest. The rule of "cabinet solidarity" made certain that the prime minister would be brought before this court to give an account of stewardship and that his colleagues must share in paying the penalty if anything went wrong. A regular form of accounting and trial practice was provided for in the budget procedure. When an accounting was to be had, the membership of the House was organized as a jury sitting in committee-of-the-whole. Provision was made which required members of the administration requesting funds to be present to explain past acts. Provision was made, also, for the three essentials of trial practice in a jury proceeding: (1) The party arraigned had a right to be confronted by his adversary—the accuser must be brought face to face with the accused. (2) Each party had a right to be represented by counsel—their leaders. (3) When Gladstone came to power and found that provision was lacking for trying the administration on evidence, he proposed, and during the later sixties his proposals became law, that the members of the House should provide the means for having every act of the administration involving money transactions, reviewed and reported on with approval or disapproval by an officer of the House to be called Auditor General and Controller. This official was placed beyond the reach of the administration by being given an independent status with

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tenure for life. Gladstone also insisted that his political adversaries, the organized "opposition", be given every facility for informing themselves; that there should be a committee on public accounts, the chairman of which was to be a member of the opposition, which would have power during sessions and between sessions to inquire into the acts of the administration—with access to public records and the right of subpoena; that the auditor's report filed at the beginning of the session should be referred to this committee, the staff of the auditor being available to help the committee to a complete understanding of the facts; that when the budget and the accounts of the administration were presented, each member of the House, the trial jury, should be given fullest opportunity to question, criticise, offer evidence and propose votes of censure. All this was to be done openly, however, and with the cabinet present to answer questions and defend itself so that members of Parliament and the people would not be misinformed when the time came for them to vote. These were the institutional adjustments which were worked out under the leadership of Gladstone to make the third Jeffersonian principle of popular control effective in England, while we, in America, were trying by civil war to establish the second.

England was the first country to make effective the fourth principle, the right of recall—that is as the word recall is here used, meaning the right of appeal to the people. During the half-century following Jefferson's statement of principles, coincident with the establishment of the solidarity of cabinet responsibility, the passage of the reform acts and the definition of trial practice before the committee-of-the-whole, the crown was made a part of the machinery of control over the executive. After the cabinet became responsible, the crown, no longer the head of the administration, was made to represent the sovereignty of the whole nation, so far as it functioned at all; on the crown was placed responsibility for administering the appeal to the people. To this end this rule was adopted: In case there should develop a deadlock between the executive (the prime minister and his cabinet) and the House, it was incumbent on the crown with the consent of the prime minister,

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to ask some one else to organize a cabinet which would have the confidence and support of a majority; but if the prime minister thought that the majority in the House did not fairly represent the people on the issue in question, and that the people would support him and defeat the hostile majority in the House, then it was made the duty of the crown to call an election. This placed "the people" in the saddle. Thus it was that by gradual process the mill-wrights of English democracy adjusted the last two of the four principles of popular control to their government.

It is also of interest to note what happened during this time in some of the other countries which adopted a constitutional form of government. In France, the principles of popular election, acceptance of the decision of a majority and a possible recall by dissolution administered through an elected president, were developed, but an effective procedure for the arraignment of the administration before the bar of public opinion for trial on evidence was not devised. There, as with us, the principle of responsibility is still confused; the cabinet is required to come before the assembly but does not have to stand or fall as a man; the prime minister and cabinet are not made responsible in the same direct way as in England through control over supplies, but the estimates of each minister go before a legislative budget commission, and the commission, selected from the whole House by lot, submits the financial plan for action. Many eminent Frenchmen have long been working for a more effective trial practice which would place responsibility on the executive and hold him to account to the assembly as a court of inquest and insure that the action taken would be on *evidence*, instead of on gossip and impulse. The French practices have been severely criticised by men like M. Ribot as conducive to patronage and waste. Their criticisms translated into English might be mistaken for excerpts from our *Congressional Record*.[1]

In the German Empire, none of the four principles of popular control was made effective.

[1] See Réné Stourm—Le Budget, translation published by Institute of Government Research, Washington, 1917, p. 59.

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In Canada, the principles of popular election, acceptance of the decision of a majority and recall are in full and effective operation, but the third principle (the arraignment of the administration before the bar of public opinion to be tried on evidence) has been made ineffective. This has come about in a very interesting way. While all of the machinery developed under the leadership of Gladstone was imported into Canada, in the British North America Act and subsequent statutes, it has been so run as to defeat its purpose. The Committee on Public Accounts, instead of being made an effective agency for arguing the case against the administration by being put under the leadership and control of the opposition, has been subordinated to the control of the cabinet, the very persons to be investigated. Instead of being an effective means of enabling the representative body "to watch . . . the government; to throw the light of publicity on its acts; to compel full explanation of all of them which any one considers questionable", it has been appropriated by the majority and used to enforce "gag rule". The office of each minister, as a result, has become a political bargain counter for the dispensing of "patronage" and "pork", as it is called on this side of the line, with little opportunity given to the opposition leaders to let the people and their representatives know what the facts are before a vote is taken—and the vote has been largely a matter of testing an irresponsible party loyalty.

Now to return to our theme: In the United States, as has been said, we have given much thought to the first two principles of popular control laid down by Jefferson in 1801. The vote-casting mechanism has been worked out fairly well—by extension of the suffrage, corrupt practices acts and adoption of the Australian and other systems of secret ballot; and since the Civil War, the principle of majority rule, so far as this is provided for or permitted under our constitutions, has not been challenged by organized force, although threatened on at least one occasion, that of the Hayes-Tilden election. The first two principles have thus been developed in practice in a sufficiently satisfactory manner, but they have been ineffective for purposes of popular control for a very simple reason. This is

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because the other two necessary parts of the mechanism of popular control have not been worked out; and those which have been developed, being without the complementary parts, were geared up with the existing institution in such a way as periodically to put the stamp of popular approval on the very thing that their mechanism of control was designed to prevent —irresponsible government.

To put the situation briefly: In place of the people controlling their service organization—the government—we have had "boss rule". Utilizing the lack of popular appreciation of the essential features of an effective mechanism of popular control and taking advantage of the absence of responsible leadership, the designing few, who look upon government as an institution for the grinding of their own grist, have so operated the electoral system that there should be no course open to electors except to elect men picked out for them by the "boss". And this has operated to the entire satisfaction of the boss except at times of great civic awakening when, in spite of boss rule, men like Jackson, Lincoln, Roosevelt and Wilson, have come to the front as national leaders.

The power of the boss has been developed through his ability to build and operate a machine that converts the political campaign and the election into a marionette show. This is done by an artful process of destroying responsible leadership, which competes with his own, and, through some system of nomination, setting up machine-made candidates in place of responsible leaders, the campaign and election being so staged that the people will think that they are voting for real men instead of dummies.

When the people wake up after a blissful sleep following each election, during which time the bosses have been quietly looking after the public business in secret and behind soundproof walls, they are startled to find, in the words of Senator Root, that "the governors did not count, the legislators did not count, comptrollers and secretaries of state and what not did not count", that "the ruler of the state . . . has not been any man authorized by the constitution or by law", that the same old "invisible boss", "elected by no one, accountable to no

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one, bound by no oath of office, removable by no one", is still in the saddle in spite of the firm belief of the people as they went home from the show given in the political arena, that he had been unhorsed and left dead on the field. Or they find that their slumbers have been disturbed by the odor of stink-bombs and the coarse gossip of scandal-mongers, the insidious methods of a hungry and disappointed clientele of the "organization" through which bosses work to weaken the confidence of the people in the man who has had the courage to take a stand against the bosses. And this is easy to achieve, since no provision is made for trying an administration "at the bar of public opinion" on evidence. Neither the public nor the officer who is refused asylum by the boss-ruled organization has any protection. All the boss has to do is to devise ways and means of turning the vials of public wrath upon the heads of those who refuse to do his bidding or who seek to change that order of things which has brought about the "deep and sullen and long-continued resentment at being governed thus by men not of the people's choosing." And the job of the boss is made easy, because he knows that the public are in such a state of mind that they are always ready to "turn the rascals out" and that there is a commercialized press ever ready to print anything which will increase its circulation. The only form of control which the people can exercise with effect is to register a vote of protest against conscious wrong and apply the principle of revolution—peaceful, to be sure, but, nevertheless, revolution.

The condition which has made for boss rule instead of popular rule has been many times described, not alone by students, but by men who are where they can "watch-the-wheels-go-round". Senator Root, President Roosevelt and others who have made public service a life career, have all told the same story. There can be no question as to the facts. What is needed is machinery to make effective the other two principles of popular control, for lack of which popular elections and majority opinion have counted for little: (1) arraignment of the administration before the bar of public opinion so that neither the officer nor the public will be made the victim of

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the artful designs of those who work for "the system"; (2) prompt appeal to the electorate on recall—of the officer in case the act or proposal questioned has not been approved, of the hostile majority in the "court of inquest" in case it turns out that they do not represent the will of the people.

Failing to provide for mechanism of control, both the representative, deliberative body and the administration have undergone changes which must be reckoned with before any steps can be intelligently taken to readjust our institutions so as to make them consistent with the ideals and purposes of democracy.

The story of how Congress has delegated to committees its powers of inquest and decision of questions of public policy can be briefly related. A "republican form of government", as guaranteed in our federal Constitution, has been interpreted to mean a representative system with an elected executive and an elected reviewing and appropriating body possessing no administrative functions. But nowhere, neither in federal nor in state government, has a practice been developed suited to the arraignment of the administration before this reviewing and appropriating body as the forum for trial on evidence. On the contrary, the function of the representative body as a court of inquest has been destroyed. The initiative in the preparation of bills concerning matters of administration and finance has been developed in the representative body and put into the hands of its own standing committees—each administrative department, bureau or office being answerable, generally speaking, to one or another of these committees, who make their inquiries and reach their determinations in secret session. Thus our government has come to be one of standing committees; and the representative, deliberative body, as a whole, can do little more than approve their acts. In the federal government there are sixty-one committees in the House of Representatives, of which fourteen may originate appropriation bills, and seventy-four in the Senate, of which fifteen may originate appropriation bills—in all, one hundred and thirty-five committees, twenty-nine of which originate bills which carry charges against the Treasury, working independently of one another and with no provision

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either for coördination or for locating responsibility. In short, we have developed a government of irresponsible standing committees, a condition most favorable to the successful operation of an "irresponsible boss" system. Vesting powers of initiative in standing committees was an institutional weakness from the beginning. It existed when Jefferson was elected President; it had been developed before the question of popular control became a dominant issue.

Writing in 1797, Fisher Ames observed: "The heads of departments are chief clerks, instead of being the ministry, the organs of the Executive power . . . committees already are the ministers." Justice Story, who was elected to Congress in 1808 while Jefferson was still President, in his *Commentaries* says: "The Executive is compelled to resort to secret and unseen influences, to private interviews and private arrangements to accomplish his appropriate purposes, instead of proposing and sustaining its own duties and measures by a bold manly appeal to the nation in the face of its representatives." President Wilson, in his illuminating volume, *Congressional Government*, published in 1885, thus summarizes his long and detailed description of the working of our political system:

> I know not how better to describe our form of government in a single phrase than by calling it a government by the Chairmen of standing committees of Congress . . . forty-eight "little legislatures" (to borrow Senator Hoar's apt name for the committees) . . . One very noteworthy result is to shift the theatre of debate upon legislation from the floor of Congress to the privacy of the committee room.

The story of the devolution of powers of administration, as the institutional means for getting things done, is quite as significant as the devolution of Congressional powers. Many appeals were made to the people to apply correctives, each of them aimed to overcome some particular defect in the methods of popular control, but at no time was any attempt made to overhaul the political machinery with full appreciation of what end should be sought and what means were necessary to reach it. One administration after another was thrown out of office, only to add to the popular discontent. Finally, in the same spirit

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that has prevailed in other countries where the people have lost confidence in their ability to control centralized organization, the American people have followed the leadership of those who urged decentralization. Using as their slogan "back to the people", reformers first brought about a subdivision of executive functions, assigning each function to a separate elected officer. When this failed to give relief, they invented the slogan "take the government out of politics", and, still further confusing responsibility and making the ballot almost meaningless, began to tear down the elective system, putting each of the several executive functions in the hands of continuous appointive boards and commissions. In other words, in the development of a system of decentralized administration under boards and commissions, the principle of irresponsible government was accepted, the only effort being to make it respectable.

As we search for causes of the persistent domination of boss rule in American politics, with irresponsible standing committees on the one hand and an irresponsible administration on the other, both of them made more irresponsible by every measure taken to dethrone the boss—as we look for causes of the resultant evils of "pork-barrel politics" and all that goes with dealing in the dark—we inevitably find a fundamental weakness which has developed in our governmental system. This is the perversion, through misconception, of the functions of the deliberative, appropriating body. Instead of developing this as an essential part of the mechanism of popular control, a court of inquest and initial determination of issues involving official conduct and questions of public policy, we have made the mistake that other peoples have made who have torn down their government by revolution. Instead of providing on the one hand for the normal and healthful expansion of powers under responsible executive leadership and, on the other, for a mechanism of popular control over this leadership, capable of keeping the service organization in constant adjustment with the ideals of democracy,—instead of providing conditions suited to normal, healthful institutional growth, we have purposely deprived ourselves of responsible leadership for fear we shall not be able to control it.

We have made the mistake which in the nature of things

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must be made by democracy when the people lose faith in public institutions to such an extent that they see no method of dethroning autocracy and special privilege other than that of tearing down the government. This, to the average mind in such circumstances, means wrecking the existing machinery of administration, setting aside by force the laws under which irresponsible power has found protection, overthrowing all central authority and starting again from the principle of the "soviet" —a committee of the people in each locality.

In the American states this is what gradually took place by peaceful methods in the process of devolution to "government by commission". The policy of decentralization was not merely a protest, as had been the effort to cure irresponsibility by increasing the number of elected officers. As a constructive policy, it undertook to devise means by which, in last analysis, both the executive branch and the representative, deliberative branch would be unnecessary—to treat both as evils to be abated.

The principle of the "soviet" has been applied in the following manner. During the last generation, civic interest in America has been aroused and civic societies have sprung up on all sides. Their number and variety, as compared with similar societies in other countries, are the marvel of all foreign students and observers. Not only do we have societies to promote general civic interest, but every conceivable civic interest has its own special society. Citizenship itself has become specialized. Societies have been formed to study problems and promote agencies looking toward the care of the tubercular sick and the prevention of the spread of the white plague, and to arouse interest in the care, education and reëstablishment of convicts. One society devotes itself to the cause of juvenile delinquents, another to the sick poor, another to the aged infirm, another to the prevention of cruelty to children, another to the prevention of cruelty to animals, another to sanitary housing, another to parks and playgrounds, and so on through the whole gamut of social needs and the public service necessary to satisfy them. Since these have been the active constructive civic forces at work, it happens that the popular discontent and distrust of

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existing institutions have been utilized to enable each of these societies, or the paid secretary of each, to control a section of the public service.

Each secretary responsible to a standing civic committee, the board of a society or specialized "soviet", took the place of the boss, the head of the organization which had built on the framework of a revolutionary government whose very foundations were those of distrust. This came about because these societies, one after another, started campaigns which ended in legislation setting aside the particular service in which the society was interested and providing that it should be performed by a separate official board or commission created or appointed in such a way that the boss and those elected by his "organization" would be put at a disadvantage—the disadvantage to the boss being the civic standing which the secretary of the specialized civic "soviet" enjoyed in making appeals to public opinion, thereby enabling him to keep control over the particular commission or section of the government which was the object of his special concern.

But the fact remains that each society, with the approval of the people, built on the same fundamental weakness and used the same method as the boss. This fundamental weakness, which gave them their opportunity, was failure to develop the third and fourth essential parts of the mechanism of control described above,—failure to develop the representative, deliberative, appropriating body of the government as an effective court of inquest and discussion for the trial of the administration on evidence, and failure to develop an effective agency for the prompt and effective operation of the principle of popular recall when, by competent evidence and after full deliberation and hearing in a duly constituted forum for the trial of political issues, officers "at the bar of public opinion" are given a vote of want of confidence. Both the secretary and the boss employed the method of secret dealing and understandings arrived at *in camera* with no opportunity for the people to get a look-in unless the parties to the secret diplomacy fell out.

In brief, the underlying principles of boss rule and rule by secretaries of eleemosynary societies or American specialized

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"soviets" are the same, though they operate, of course, in response to different motives. As has been said, the aim of the "government-by-boards-and-commissions" propagandist is not to make government responsible to the people, but to make "irresponsible and invisible government" respectable and serviceable.

With good backing and a just cause, these new secretaries after much maneuvering obtained access to records in boss-controlled offices. Musty volumes were brought to light, the monopoly of information previously enjoyed by the boss-controlled bureaucrat was broken and current methods and results were explained and pictured in bold type,—with the result that new official boards and commissions were created dealing with questions of accounting, finance and budget-making.

But there was trouble ahead between the "secretaries" and "soviets" interested in centralized accounting and budget-making and those interested in decentralized service control. So long as the investigations dealt with "spoils", "patronage" and "waste due to boss rule", the two classes made common cause with each other and the taxpayer. So long as new constructive proposals were limited to "balance-sheets", "operation accounts" and "budget forms", controversies were confined to technical questions which interested no one except the technicians employed by the secretaries and a few public bookkeepers. But in the end both the secretaries interested in centralized control and the newly created boards and commissions which began to look at the problem from the angle of bringing balance and proportion into public expenditures (as well as inquiry and publicity into service needs) were forced to take up the question of machinery needed to make centralized control effective. This emphasized the need for a strong executive as well as for board review and focused attention on problems of management; it brought the "business-man candidate" to the front.

The technician both in and out of office and the business-man candidate campaigning for reform rendered a distinct service in that they convinced the public that there was need of a method of control which would bring balance and proportion

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into public borrowing and public revenue and expenditure and economy and efficiency into the management of public affairs. The public became convinced that central control must be exercised somewhere. From every quarter came support for the "budget idea", the idea introduced by the new type of secretary and the business-man in politics. But these conclusions having been reached, the secretaries, the technicians and the business-men in politics soon came to disagree on the kind of controlling device or mechanism to be developed; they gradually came to form themselves into three groups, each of which had its own "budget idea" suited to its own interest.

Naturally the group whose special interest was the development of central control took the lead. They centered their mechanism on the operation of the executive, giving to the controlling device its effectiveness by attaching it to the representative, appropriating body, the body to which is given the constitutional power to control the purse. Their proposal came to be known as the "executive budget". This did not suit the interests and purposes of the group whose members were in positions of power at the heads of standing committees, nor the interests of those who had been working through specialized civic societies to get control over the administration. The competing proposals in support of which the many advocates of budget reform came finally to align themselves were: (1) the executive budget; (2) the legislative budget; and (3) a device or combination of devices which should bear some such name as "the government-by-boards-and-commissions budget". In fact, the budget proposals which were brought forward were but pleas for three fundamentally different mechanisms of control, suited to three fundamentally different systems of government which had been developed by group interests in a democracy in which the people as a whole had no means of having propositions openly and publicly discussed before they were required to vote on them, but were ready to take up anything new which promised relief, simply as a protest against the *status quo*.

The advocates of the executive budget, made up largely of secretaries and technicians employed by the "soviets" inter-

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ested in centralized control, started out to obtain the adjustments necessary to make existing irresponsible agencies function, but after a few years they became convinced that their ultimate aim—the establishment of popular control over the government—could not be reached without radical change. They saw that it would be necessary to supplant rules and procedures, which had put standing committees in control, by methods which would subordinate the mechanism of control to the popular will. To accomplish this purpose they urged that in its ultimate development and final application the mechanism of control must utilize all four of the principles laid down by Jefferson: (1) popular elections; (2) acceptance of the decision of the majority; (3) the development of the representative deliberative branch of the government as a court of inquest for the arraignment of the administration at the bar of public opinion to be tried on evidence; and (4) the development of a prompt and effective mechanism of popular recall. In other words, their slogan was "responsible and visible government".

To make the government "responsible", some person chosen by the people or their duly elected representatives must be looked to as the responsible head of the administration in order that responsibility may not be confused and that the long-standing practice and species of alibi known as "passing the buck" may be terminated. In case any act and proposal affecting the public service should be adjudged contrary to the public interest, there must be no question as to who should be arraigned at the bar of public opinion. This means that the executive who is to be held accountable for administration should be held accountable for "leadership" in constructive proposals and requests for funds.

To make the government "visible", the person who represents this leadership of the administration should be required to come first before the body of elected representatives of the people, sitting as a court of inquest. In order that the acts and proposals of the administration may be publicly inquired into, the administration leaders should be arraigned before a jury, a committee-of-the-whole who should bear no responsibility for

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the acts or proposals which are the subject of inquest; proposals should be considered on evidence and approved by majority vote before further funds are granted to the administration. In order to make this procedure a matter of mature and deliberate consideration, to insure that the assembled representatives be informed, provision should be made for organizing the inquest and the advocacy in such manner that decisions may rest on evidence, investigation and the testimony of competent witnesses; and means should be devised to provide for opposing counsel with full opportunity for argument and discussion before a vote is taken. Each question at issue should be submitted to a separate vote of the members so that their acts as well as the acts of the administration can be reviewed before the people in an "election" as a court of last resort.

To enable the people to control and to make certain that the principle of popular sovereignty would operate, it would be necessary to find some means whereby the leadership of the administration which is to be held to account may appeal to the people on any issue, act or proposal, with respect to which the executive has failed to secure a favorable decision from the representative, appropriating and controlling body, in case this leadership should regard the decision as adverse to the public interest. It is urged that this should be done promptly, before the issue between the leadership of the administration and the assembly has been so confused with other issues that the vote of the electorate would be meaningless. These are the proposals of those regarded as "extremists" in the executive budget school; they are given here because they open even its most remote probabilities to critical appraisal.

Various half-way or compromise executive-budget proposals have been presented to meet the conditions of "practical politics". In the official recommendations, committee reports, amendments, bills and laws on the subject of budget reform, not a single one has gone this far. The first formulation of an executive-budget proposal is to be found in the reports of the preliminary staff and in the interim and final reports of the Commission on Economy and Efficiency appointed by Presi-

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dent Taft under Act of June 26, 1910. These reports, however, were purposely limited to a statement of constitutional purposes, powers and limitations, a description of past practices and the setting-up of budget forms. They did not go farther into the relations of the executive and Congress than to recommend that a budget be prepared, submitted, explained and defended by the executive. State budget measures submitted by responsible agents, or actually passed, have gone farther than these reports in that they have, to greater or less extent, gone into questions, organization and rules to govern inquiry and discussion after the executive budget has been submitted. But none of these is more than a half measure and would necessarily lead to further adjustments to preserve a clear definition of responsibility and make the process of control reach to the people—either this or the ultimate abandonment of the "executive budget idea".

The proponents of the legislative budget, made up largely of men who had risen to positions of power and control in Congress and state assemblies, have had for their aim the continuation of existing practice in such bodies, practice that has resulted in "government by standing committees". They have urged the perpetuation of the *status quo* in legislative organization with modifications to make it more acceptable to the people who have lost, or are fast losing, confidence in the effectiveness of the first two principles of control, popular election and majority rule, and whose ballots register the voice of protest. To satisfy the demand for a budget procedure, for orderly planning and careful review of estimates, they propose that all budgetary matters shall be referred to a legislative or mixed committee, board or commission controlled by legislative authority. This committee, board or commission is to make the budget. The aim is to reduce the present chaos of public finances to order, by enabling the legislature to come to conclusions among themselves without providing for responsible "executive leadership" and without an open public trial procedure. Decision having been reached by a legislative commission, bills would then be laid before the general representative, deliberative body. The legislative budget involves the continuation of "irresponsi-

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ble and invisible government". That this, in fact, has been its effect, if not the conscious purpose of its advocates, will be evident to any one who has read the record of the last three years of the operation of the legislative budget in the state of New York where, under as vigorous and public-spirited leadership as can ever be hoped for, this method of control appears at its best.

The advocates of the "government-by-boards-and-commissions budget", largely made up of "secretaries" and their "soviets" who seek to promote special services, have for their aim the preservation of the *status quo* so far as relates to this form of decentralized administration—the form of administration which denies the desirability of centralized administration. They appeal to the prejudice against a strong executive which reaches back to the American Revolution and which has caused the people to adopt the "soviet principle", thanks to which the administration has been subdivided into small specialized service functions, first under legislative committees, then under independent elected officers and later under the domination of the specialized civic societies which have grown up around particular institutions and social needs. They approve of all the proposals of the proponents of the executive budget, so far as these would provide for "visible" government. But they are opposed to "responsible" government. Like the proponents of the legislative budget, they would have an irresponsible executive prepare and submit a book of estimates with recommendations, but in an "advisory" capacity only; they would have this put into the hands of a "budget commission" which would undertake to "coordinate" the services and bring in the necessary bills; and they would provide for a committee-of-the-whole procedure. These various independent boards and commissions would be required to attend and answer the questions of members, would provide for taking a separate vote on each service, would not provide for the leading issues referred to the people because the "boards and commissions" are not elected and would "keep the public business out of politics"—*i. e.*, they would let these various specialized civic societies or "soviets" look after matters relating to special civic needs.

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This paper has aimed at a broad interpretation of the civic meaning of the various proposals for governmental reorganization and budget procedure that have been brought forward since 1910. The conclusion to which the attention of sober-minded citizens is invited is this: In choosing between the "executive budget idea", the "legislative budget idea" and the "government-by-boards-and-commissions-budget idea", we are choosing between three systems of representative government.

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PRICE FIXING IN THE UNITED STATES DURING THE WAR II[1]

IN the first article of this series price fixing in the United States during the war was discussed with regard to its scope, its agencies and its methods. The present article is intended as a critical and analytical study of the activities of the principal price-fixing agencies. Its object is so to classify and analyze the various cases of price fixing as to make clear the nature of the problems that were involved and to suggest principles. These two articles, it is hoped, will furnish an adequate basis for a critical appraisal of the price-fixing policy of the United States during the war which will be the subject of a concluding article.

To fix or not to fix was the first problem to confront the price-fixing agency when its services were invoked. In not a few instances a study of the situation revealed that price fixing was unnecessary or was even positively undesirable. Sometimes representatives of an industry wished to have prices fixed for the purpose of facilitating a program designed to eliminate competition or to enable them to maintain very profitable prices. Sometimes, also, buyers demanded price fixing, when, as a matter of fact, prices received by producers were, relative to their costs, quite low; and, on the other hand, producers of raw materials sometimes urged it, as in the case of zinc ore, when, as a matter of fact, the margins made by the manufacturers were small. In the case of common zinc, or "prime western spelter", price fixing was contemplated, and the cost of production was ascertained by the Federal Trade Commission. No price, however, was fixed; and while the results of the investigation were not published, it was generally known that common zinc was being sold at less than cost. The production capacity was in excess of demand, which had fallen off greatly. Under these circumstances, it would have been eco-

[1] Continued from the POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 104–126.

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nomically undesirable to fix a price on the basis of cost plus a reasonable return on investment, since it would have delayed the inevitable adjustment of supply to demand. This was recognized by leaders in the zinc industry.

In the case of mohair, it was decided after a conference between representatives of the Mohair Growers and Producers Association and the Wool Section of the War Industries Board, not to fix a price on the fall clip of 1918. The War Industries Board announced that the cost of producing mohair appeared to be in excess of anything the government could afford to pay, considering the uses to which this product could be put, and that the needs of the government were not such that it then felt justified in fixing the price below the cost of production claimed by the growers.

The problem of whether to fix prices or not presented itself very forcibly to the Oil Division of the Fuel Administration and was virtually answered in the negative. All that the public knows is that, while the price of ordinary gasoline was not advanced, the prices of the other petroleum products yielded jointly with gasoline—notably fuel oil—were greatly increased, with the result that during 1918 the average profits of refining companies were considerably larger than during the three years, 1913, 1914 and 1915.[1]

In the cases in which it was decided to fix a price, the chief problems may be conveniently discussed under the heads of cost, demand and investment, together with sections on such practical aspects as integration and contracts.

1. *Marginal Cost as a Basis for Price Fixing*

Various bases for determining the reasonable maximum price to be fixed were used, but it may be said that, on the whole, the prevailing tendency was to fix prices on the basis of cost, a reasonable allowance being added for profits. In this connection the work of the Federal Trade Commission in ascertaining from the books of the producers the actual cost of

[1] Federal Trade Commission Report on Profiteering, 1918; published as Sen. Doc. no. 248, June 27, 1918.

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production and the investment, was of great importance; and President Wilson early indicated that the Commission's findings should be fundamental in connection with the price-fixing activities of the War Industries Board. While the bulk of the cost work was done for the War Industries Board, it should be noted that the Fuel Administration, in regulating coal prices, had to proceed under certain definite rules laid down in the so-called Lever Act of August 10, 1917, which provided for the fixation of maximum prices, based on "the cost of production, including the expense of operation, maintenance, depreciation and depletion", adding thereto "a just and reasonable profit". In fixing prices for coal dealers, the price-fixing agency, the law runs, "shall allow the cost to the dealer and shall add thereto a just and reasonable profit".[1] With regard to the work of the Fuel Administration on coal (not oil), the large amount of intensive statistical and accounting work that was done should be noted. A large force of Federal Trade Commission statisticians and accountants was put at the disposal of the Fuel Administration. Though perhaps impossible to answer, the question is worth raising, whether the relatively large volume of criticism directed toward fixing prices of coal (not oil) is not indicative merely of a more accurate basing of prices on marginal cost than obtained in most other cases.

Beyond a doubt, the fundamental question in fixing prices that are based on cost, is the determination of what may be called the "marginal cost". This cost may be explained as follows: It is frequently the case that when the several individual costs for a group of producers are accurately ascertained and are ranged in their order from low to high, there will be a variation among them of 100 per cent., the high cost being double that of the low cost. Ordinarily the bulk of the production comes from those companies whose costs are below the average, though this is not always the case. It does not follow, however, that the average cost gives the basis for a fair price. If 25 per cent., or even 10 per cent., of the production comes from high-cost companies, and *the entire output is needed*, the

[1] See below, p. 279.

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average cost cannot be the basis of price. It is true that in many cases prices were fixed on the basis of average cost, both by the War Industries Board and by other price-fixing agencies; but as time went on their methods were perfected, and the practice of taking a "representative cost" developed. This representative cost was very similar to what the economist calls the marginal cost, meaning the cost of the highest-cost producer able to produce without loss at any given price. It was sometimes called the "bulk-line figure". In price fixing, of course, the price is not established by objective market forces but is to be determined; and the marginal cost depends upon the quantity required and the cost of the least efficient producer who has to be included in order to call forth that quantity. Largely on the basis of experience in certain basic industries, the representative cost was often taken to be that cost which was just high enough to cover the costs of those lower-cost companies which could produce 80 per cent. of the total production. It will be found that if the costs of the producers of any industry are arranged in a series from low to high, there will be a relatively few very low costs and a relatively few very high costs; and if the lower-cost producers required to make up 80 per cent. of the production are taken in one group, most of the remaining producers will fall in the group of those having very high costs. As the high costs of such producers are attributable either to abnormal conditions or to inefficiency or to unfavorable natural conditions, it is reasonable to ignore them in the determination of representative costs. Ordinarily they either would not make much, if any, profit under competitive conditions or their high costs are caused by abnormal conditions which they hope will disappear.

The elimination of some of the high costs and the use of some marginal figure, was especially necessary when monthly costs were used as the basis of price fixing, since the cost ascertained for a single month may be quite abnormal on account of a temporary reduction in output or the inclusion of items which should be spread over a longer period. Consequently, to base prices on a series of maximum monthly costs would give impossible results. To a considerable degree the same observation applies to quarterly costs.

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It is true, as already observed, that average costs were sometimes used; but it will be found that where this was done, one or another of the three following conditions prevailed:[1] (1) The "costs" used were not true costs, perhaps including interest on investment or allowance for contingencies or profits on raw materials used; (2) the allowance made for margin over cost was liberal enough to take care of the producers whose costs were above the average; (3) the position of the industry was such that the producers were willing to take a low price. There is no sound argument to be made in favor of using the average cost. If a smaller output is desired, it is to be gained by moving the margin or "bulk line" down to a point at which the output of the marginal and supra-marginal producers equals the desired quantity.

In the average case of price fixing, the gist of the method used by the Price-Fixing Committee was as follows: First, some idea of the quantity of the product under consideration which was likely to be demanded, was arrived at, which, of course, involved a knowledge of the stocks on hand. Second, the quantity which each producer could turn out was ascertained. Third, each producer's cost of production was computed for the most recent period available. Fourth, the average investment involved in the production of the commodity concerned was determined and reduced to the basis of investment per unit of product.

The first three of these items bear directly upon the determination of the representative or marginal company for price-fixing purposes. Take, for example, the case of copper. If, after due consideration of stocks on hand, it should be determined that the needs of the government are 100,000,000 pounds per month, that the larger companies, having lower costs, are producing about 100,000,000 pounds per month, and that the highest cost of any of these larger companies is 19 cents per pound, then the representative or marginal cost may be taken to be 19 cents. This procedure would be logically strengthened

[1] On this point see L. H. Haney "Price Fixing in a Competitive Industry; A Pioneer Case", *American Economic Review*, March, 1919.

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if it happened that the production of the smaller companies was only a small percentage of the total output of copper, say 15 per cent., and that the higher costs of such companies are due to inefficiency in the sense that they have not been able during recent years to make any regular net earnings. Under such an assumed case a "bulk line", or margin, might be fixed at something over 80 per cent. of the total production and 19 cents per pound be used as the cost upon which price fixing would be based. If, now, it were the fact that representative copper producers had in normal years made margins of about 6 cents per pound over their cost, the basis for a price in the neighborhood of 25 cents per pound would be established.

The conditions which facilitate the determination of a reasonable marginal cost for price fixing are: (1) a knowledge of the requirements of the market, or in war times a knowledge of the needs of the government and its agencies; (2) a knowledge of the output and capacity of the plants concerned; and (3) the existence of an output or an immediately available capacity which is equal to or in excess of the requirements. There can be no doubt that price fixing in the United States was handicapped by uncertainty as to the quantity which it was desired to have produced, which uncertainty was in some cases due both to ignorance of the available stocks and to uncertainty as to future requirements. Naturally these conditions obtained most notably in the earlier months of the war, and the organization of staffs to collect exact statistics for the War Industries Board improved matters as time went on. But a part of the difficulty lay in the wavering programs of the different departments engaged in war construction of one kind or another. It was a difficulty inherent in the situation that the departments were apt to overestimate their needs, while the producers were apt to overestimate their capacities and underestimate their stocks. When the industry was obviously able to produce in excess of a possible demand of its product, as was the case with lumber and cement, it was relatively easy to insist upon the use of a representative cost which had some real marginal significance, that is, one which was only high enough to just cover the highest-cost producer needed to supply the quantity required.

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But when, as was the case with copper, the best available figures seemed to indicate that production would be almost exactly balanced by consumption, it became more difficult to deal with the importunities of the high-cost producers; and when a known shortage existed, or was believed to exist, as in the case of wheat,[1] ship timbers, quicksilver and copper, the price-fixing agencies were apt to fix the price with little regard to cost. In some cases, *e. g.*, wall board, this disregard of cost was concealed by authorizing the companies to proceed with production and even to construct new plants with the understanding that the price would be fixed at some subsequent time on the basis of cost.

Of course, when the three conditions enumerated above were absent, the determination of the margin was made much more difficult. In the writer's judgment, however, the problem of determining a satisfactory marginal cost for price fixing is not insoluble, and as this is perhaps the crucial point in price fixing, a word should be said about it. There are two great dangers to be reckoned with. In the first place, there is the danger that the requirements will not be correctly estimated, especially when a commercial market exists over and above the government's needs. One factor in the situation which must remain unknown in war times is the duration of the war, a factor whose importance is now amply illustrated by the problem of dealing with large government stocks of materials which followed the relatively sudden signing of the armistice. In any event, war requirements may differ widely from those of normal times. It is easy to make too great concessions to those who desire to keep "business as usual", and to underestimate the requirements of the military program. The second danger lies in a failure to adjust the required production to an efficiency basis. By this is meant that the price-fixing agency may fail to take the steps necessary to insure that the quantity of the product under consideration will be secured as largely as possible from low-cost, efficient producers. There was an unfortunate tendency

[1] The *minimum* price of wheat was fixed with regard to such imperfect cost data as were available.

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to spread the business over the entire range of existing producers, instead of concentrating it as much as possible with the more efficient. This constituted a touch of "stabilization". In dealing with cement, for example, it is probable that the government and the public would have been much more cheaply supplied had some of the high-cost plants been closed down and the most efficient ones operated at capacity.[1]

But, in spite of these dangers, much can be done and was done to arrive at a reasonable basis. It is to be borne in mind that prices were fixed at frequent intervals and applied for a short period, say three months. Accordingly, recent experience could be drawn upon. For example, the actual requirements of the preceding three months could be known; and, furthermore, the rate of increase or decrease in requirements during a series of preceding short periods could be used as a basis of estimate. Moreover, the estimates of requirements were made for a relatively short period and could be revised at the expiration thereof. It was also possible to make allowance for increase in the output by the larger and more efficient producers, although but few, if any, illustrations of such allowance can be found in the actual practice of price fixing. That, however, is a limitation of price fixing as actually conducted, not as it might be conducted; and the fact remains that copper prices might have been somewhat lower without reducing the total output of copper, for the reason that the large producers could easily have used the labor employed by the small, high-cost producers to a better advantage.

2. *Integration in Relation to Price Fixing*

The existence of different degrees of integration among the different companies engaged in a given industry gives rise to difficult problems in price fixing which are related to cost. On the whole, the tendency of the Price-Fixing Committee of the War Industries Board was to deal solely with the price of finished product (chiefly the basic materials of industry) f. o. b. the plant of the manufacturer, regardless of the differences in

[1] In a few cases, cement companies actually did close plants and supply their customers from the most efficient single source.

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degree of integration. There were some important exceptions to this policy, however, notably in the cases of iron and steel; and other price-fixing agencies, such as the Fuel and Food Administrations, pursued a different plan. In general, it may be said that when the price was fixed on a finished article of wide consumption, separate prices were fixed for the different stages of production, as is illustrated by the fact that prices were named not only on flour, but also on wheat and on bread. This was especially true when a large part of the product was produced by non-integrated concerns.

The logic of the War Industries Board seems to have been to fix the price of the basic materials and to rely upon such action to affect the whole price structure, supplementing it by regulation designed to restrict speculation by dealers and to prevent unnecessary resales. It will be observed that this policy leaves the various stages of production, prior to the emerging of a finished product, without price regulation. A good illustration is furnished by copper. In this industry it is true that the integrated companies are decidedly the dominant element. It is true that there are wide differences in the degree of integration, ranging from the complete integration of the Anaconda Copper Company down to an almost complete lack of integration in the case of numerous small mines which ship their ore or concentrates to some big smelting company in Arizona. The smelting company in turn may ship "blister" copper to a separate refinery on the Atlantic seaboard. Copper ore may be bought and sold; and the product of the smelteries, whether "matte" or "blister", may also have a separate price. Moreover, the owners of independent copper mines have in some cases demanded that the price of their ores be fixed in order to protect them against the hard terms made by the smelting companies. Indeed, some formal protection to the mines was afforded through the good offices of the Non-Ferrous Metals Division of the War Industries Board; and with the help of the same agency, by agreement between the smelters and refiners, an adjustment was made in the payment received by the copper refiners which amounted to a modification of the price of "blister" copper. The quantity

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of copper produced by the small miners, however, is relatively so unimportant, and the refiners are so closely related to the large miners and smelters, that these adjustments are hardly to be considered as exceptions to the rule. The only price fixed was that on refined copper.[1]

The iron and steel industry is different from the copper industry, in that the number of different stages and products is greater, and the integration accordingly is not only much more complex, but less uniformity exists among the producers. Indeed, the production of raw steel—or, perhaps, even pig iron—is analogous to the production of copper, while the combination of the manufacture of iron and steel with the manufacture of coke, and the production of steel and the numerous steel products by the same companies which produced the pig iron, makes this industry much more of a problem to the price fixer. A considerable part of the product is made by concerns which are not completely integrated. Accordingly, not only was a price fixed on iron and steel products, but also on iron ore, pig iron and raw steel. More than this, while the earlier price fixed for steel products was not advanced, the prices of pig iron and of iron ore, which products are partly produced by separate non-integrated concerns, were somewhat raised. Also, by arrangement with the industry the least integrated producers were furnished their raw steel at a price somewhat under the marginal cost price for that product.

The general conclusion, therefore, to be drawn concerning the relation of integration to price fixing is that when a controlling part of the supply of any given product is produced by concerns which are not completely integrated, especially as to the earlier stages of the industry, it is practically necessary, in price fixing, to control the price of the chief semi-finished products; but that when a controlling proportion of a product comes from producers who are more or less completely integrated, this necessity does not exist, although some protection may be required for independent producers in the earlier stages.

[1] This is approximately true, but a differential was fixed to cover the extra cost of casting refined copper in certain shapes or molds.

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Also when the object is to protect the consumer of products which are distributed by separate wholesale and retail agencies, it would probably be necessary to control the wholesale and retail prices as well as the price f. o. b. factory or mill.

3. *Minor Problems Connected with Cost*

Numerous minor problems involved in ascertaining the cost basis for price fixing might be distinguished. It was frequently the case that actual cost figures were not available at the inception of price fixing and in such cases it was common for representatives of the industry concerned to appear with statements showing large percentages of increase in their costs for labor and materials. Such claims generally proved to be specious. The cost of labor may increase 100 per cent. and the price paid for explosives 300 per cent., while the total cost per unit of the finished product may increase but 10 per cent. or may actually decrease. The Price-Fixing Committee early found that a controlling factor in unit costs was the volume of output, which was often closely associated with the grade or quality of the raw material and, in spite of increases in various individual items of cost, a considerable increase in volume of production by plants not already working at full capacity might more than offset such increases by increasing the quantity used as a divisor.

Even when the actual figures were presented, it was not infrequently the case that they were erroneous or not representative. Among the more common shortcomings of the cost data submitted were: the inclusion of items of cost in the charges for a particular period, which should have been spread over a longer period; the inclusion in cost of items which should have been capitalized as being additions and betterments; the inclusion in cost of items which should have been charged directly to the profit-and-loss account or have been deducted from the selling price; and the presentation of costs based on abnormal operating conditions. The last point would be illustrated by the case of a lumber company which voluntarily or involuntarily operated during a given month under abnormally difficult conditions, such as peculiarly rough or swampy land and poor timber, *i. e.*, mixed, scattered, small, blown down.

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Even when the actual figures were available and covered representative operations, their shortcomings, as a basis of cost computation for price-fixing purposes, were sometimes apparent. Cost, to the accountant, properly covers only such items of expenditure as are actually paid out or accrued during the period under consideration. Consequently, certain risks and hazards, which are covered by what the economist knows as gross profits, do not appear upon the books; some of these items might even be the result of the price-fixing operation. For example, there was often an uncertainty as to the market, especially in the case of by-products.[1] During the war labor and transportation difficulties in some cases lengthened the period of the "turnover", making the period during which the material was "in process" longer, with additional risks and carrying charges. A condition frequently met with was that of a real or alleged necessity for maintaining a selling organization which was not needed in connection with government purchases. It was argued, and in some cases rightly, that the company could not afford to sell to the government at a price which would not contribute something toward the maintenance of a selling organization which had been built up at great expense and which would be vital to the existence of the company under normal circumstances. Here, too, may be mentioned the fact that in most cases a period of at least a month necessarily elapsed between the time that the cost figures were available to the price fixer and the period to which the figures applied. Consequently, it was almost always necessary to make some allowance for variation in costs between the period for which the figures were secured and the period during which the price was to apply. This might be vaguely allowed for in the shape of a "liberal" treatment, or attempt at greater definiteness might be made by adding to the costs a certain percentage, based on the rate of increase for a similar period in the past. In several industries it was found that between the autumn of 1917 and the middle of 1918, costs increased about 30 per cent.; And when costs were available only for the second half of

[1] See below, p. 275.

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1917 for fixing a price in the middle of 1918, this percentage was added to the available costs, as was the case with sand and gravel.

In several instances, when labor cost was the chief factor in the situation, the percentage of that cost to the total cost was ascertained and this percentage applied to a known increase in pay-roll to estimate the current cost. This method was at one time used in the cases of lumber and copper. Assuming any given volume of output, it is easily possible to make a very close estimate as to the effect of a given advance in wages upon the average cost per unit of product. And during a period of increasing wages, such estimates may be very useful.

4. *Demand; Joint Cost and Interrelated Products*

The price-fixing agencies were soon confronted by the difficulties which attend any dealing with products which are jointly produced; that is, different products which are produced with a joint cost that cannot be specifically assigned to any one of them. Two general cases of this sort may be distinguished: First, the products may all be commercially of similar importance and may all be called main products. As such, each of them is ordinarily sold at a price which allows a profit over the average cost of production of the group, and the producer consequently desires to increase his output of each of them. This is the case with the principal kinds of lumber and timbers secured from a log; and another good illustration is found in the gasoline and fuel oil secured from a barrel of crude petroleum. A variation of the same idea is illustrated by the different grades of logs secured by lumbering operation, for in this case we do not have products which differ in kind, as do gasoline and fuel oil, but, instead, the difference lies merely in the length of the log *etc.* The second case of joint production involves what are called by-products. Such products are in a commercial sense relatively unimportant to the company producing them. They are well illustrated by the recovery of small amounts of the precious metals from copper ores which are smelted solely for the purpose of recovering copper and would be so smelted even if there were no gold or silver in them. The by-product

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is either relatively small in *total* value or is apt to sell considerably below the average cost of the group, and the producer, therefore, desires to reduce the output to a minimum.

With regard to individual joint products, it is impossible to ascertain an exact cost, but cost can be used only as a rough, general guide to price. As a rule, therefore, the procedure has been to ascertain the average cost for the group of joint products as a starting point. Then, one of two courses has been taken; either an addition has been made to the average cost to allow a return on the average investment, thus arriving at an average price, or the average cost has been allocated to the several joint products and additions made to the allocated costs to arrive at separate prices for the said products.

For by-products the general rule was to fix a price on the main product only, the by-product being covered by deducting from the cost of the main product[1] the net returns received from the sale of the by-product. For example, the cost of copper was reduced by the value of the gold and silver recovered. This was the course taken when the by-product was salable. In case, however, there was no market for it, or in case the market was rendered precarious, the procedure was either to add the loss on the by-product to the cost of the main product or to make some estimate in the shape of an allowance for risk. This was done in the case of the government price for mahogany lumber for propeller blades. It was felt that a large quantity of low-grade mahogany lumber would result from the efforts of the companies to supply the government with propeller stock and that the accumulation of such low-grade stock might result in a loss to the producer.

Clearly, in case of joint production, the price fixer is forced to take demand as a chief basis, rather than cost. This is also true, as will be shown, of other interrelations in production.

Other interrelations between products which complicated price fixing existed almost without number. Two entirely separate products may have the same raw material, with the result

[1] This, of course, includes a large part of the cost involved in securing the by-product.

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that it becomes necessary to consider the effect of increasing the price of one of the products over that of the other, thus giving it greater power to command the raw material. Such was notably the case with fertilizer and explosives. Both required large quantities of sulphur, and if the price of sulphur had been fixed too low, sulphuric acid manufacturers would have been encouraged to burn brimstone to an increasing extent in place of sulphur-bearing ores. Also munition linters, cottonseed oil and meal, all come from the same material, cottonseed; and an important and difficult problem confronted the Food Administration in so adjusting the price of oil that cottonseed meal might be kept at a reasonable price.

Again, two products may be interrelated by being combined to make a finished product, as iron and zinc which are combined to make galvanized iron, zinc and copper to make brass or gypsum and paper to make wall board. The high price of iron was reflected in the price of galvanized iron, with the result that the demand was greatly reduced, and the price of zinc fell so low that after investigation it was not found necessary to fix it.

Finally, two or more products may be substitutes. This is notably true of certain fuels,—coke, coal and fuel oil; certain raw materials,—pyrites and sulphur; various metals; and certain consumption goods, such as wheat and corn, cottonseed oil and other vegetable oils.

An excellent illustration of the complexity of price fixing under such circumstances is furnished by the Food Administration in dealing with the cottonseed industry. About September, 1918, a great demand arose within the cottonseed industry for "stabilization". Cottonseed oil prices showed a downward tendency on account of the competition of foreign vegetable oils which could be substituted for the domestic product, and as a result it appeared to be necessary to advance the price of cottonseed meal, which was a joint product with the oil. Such an advance would increase the expenses of cattle feeders. In conference with the Food Administration, the producers recommended prices which were practically the same as those of the preceding year, this being a concession to the interest of the cattle-feeding and dairy industry; the crushers had differentials

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fixed to allow for their increased costs; but nothing could be done with regard to the linters, except to recommend that the War Industries Board increase the price thereon, to make this product help bear the burden. The refiners agreed with the Food Administration to buy cottonseed oil at 17½ cents f. o. b. the mills, the Food Administration agreeing to assist the refiners in maintaining this price. In their turn the manufacturers of lard compound, with the sanction of the Food Administration, agreed to a price of 22½ cents per pound. The net result of this interrelated chain of price fixings was that the price of cottonseed meal was made from $50 to $75 per ton, depending upon the protein content,—a small advance of approximately $3 over the price of the preceding year. The Food Administration regretted the necessity of increasing the price of meal, but it had to be done in order to maintain the price of oil.

Early in 1919, doubt arose as to the continued participation of the Food Administration in this stabilization plan and also the importation of foreign oils, which sold below cottonseed oil, continued. Then, too, there were some local accumulations of cottonseed and cottonseed oil. Therefore, in February, a meeting was called, at which representatives of all the stages agreed to maintain the plan, and the Food Administration promised to do what it could to that end. An embargo on the importation of foreign oils was recommended to the War Trade Board, and steps were taken to insure the use of the domestic product in the manufacture of lard substitutes, the refiners promising to help in this and the Food Administration to require the domestic product on orders which were allocated through it.

Thus, in this case the price-fixing agency had to deal with a very complicated situation, on account of the interrelation of numerous products; and, partly for the purpose of keeping meat prices down, it sought to keep meal prices down by keeping the prices of linters and oil up. Incidentally the plan involved a stabilization of the whole industry, with the idea of maintaining the supply and of keeping products moving forward in the normal quantity and relation.

Another illustration of the complex interrelation between products and the resulting difficulties which confronted price

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fixing is furnished by the hen and the egg. The live hen is, as it were, the raw material for the two products, eggs and chicken meat. The Food Administration fixed the price of eggs so low, relatively to the price of chicken feed, that the egg business became unprofitable, and hens were killed in large numbers. This case illustrates the need of regulating the earlier stages of a non-integrated industry.

In the case of substitutes, the problem of the price fixers was chiefly one of demand, not directly of cost. For example, the cost of a substitute might necessarily be ignored, as was practically true of Virginia-Carolina pine. The price of southern yellow pine having been fixed, the other pine could not stand in the market more than a certain fixed differential, and its price had to be set at a figure which was below the cost of a large part of the production. It was in the face of such complicated problems as this that the Food Administration made some of its chief errors, notably in not regulating the prices of various grains which were obviously, either directly or indirectly, substitutes for wheat.

The foregoing discussion of the problems of price fixing on the demand side illustrates the impossibility of basing prices entirely on cost. It was often necessary to make some allowance for demand and sometimes to make so great an allowance as to deprive cost of any appreciable significance as a factor in price fixing.

Sometimes, in fact, the cost was not known, perhaps because of haste or because of difficulty in securing satisfactory data. In this event the attempt was sometimes made to find some basis in cost, which might be accomplished by adding a known *increase* in cost to the old price, as was done in determining cotton-compress rates. Also, in September, 1918, an addition was made to the price of crushing cottonseed, presumably sufficient to cover increase in cost. A point of difference in these two cases, however, lies in the fact that the base price of crushing cottonseed had been previously determined by a governmental agency, while this was not the case with compressing cotton. About the middle of 1918, the price of copper was suddenly advanced by an amount estimated to equal the in-

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crease in freight rates and wages which became effective at that time. In a few extreme cases, however, there was not even a pretense of proceeding on a cost basis. The first price for bituminous coal in 1917 was made on the basis of the past prices as furnished by the *Geological Survey*. Platinum and iridium had their prices fixed at the high levels prevailing in the market; and the Emergency Fleet Corporation's price for ship timbers appears to have been arrived at on the basis of previous prices. In the case of hogs a sliding-scale price was decided upon which varied with the price of corn according to a fixed ratio between quantity of corn and weight of hogs.[1]

Another class of cases which required that the emphasis should be laid on the demand side consisted of those products in which allowance had to be made for difference in quality or grade. Douglas-fir logs, for example, were allowed differential prices according to length; regardless of the cost, logs over 40 feet long were priced according to the usual custom of the trade. Also, in the case of lumber the different prices placed on the different grades of boards bore little, if any, relation to cost.

To sum up: While prices were generally fixed on the basis of cost, there were necessarily many exceptions. Sometimes no costs were available. Sometimes cost was only partly available as a basis, as in the case of "joint products" and of products for which complete cost data did not exist. Sometimes, again, no effort was made to use cost, as in the case of substitutes whose prices were fixed on the basis of the commodity in the place of which they might be used. In a few instances the price was fixed without regard to cost, merely on the basis of preëxisting prices, such prices being taken for what was presumably a normal period.

Undoubtedly one limitation on price fixing on a cost basis lies in the difficulty of allowing for demand or quality. Under the Lever Act, for instance, prices for coal were based on cost, not on quality. And the Fuel Administration called attention to the fact that, for this reason, in returning to a peace basis there would necessarily have to be a readjustment.

[1] The price of corn was not formally or publicly fixed.

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5. *Value of Materials vs. Cost*

The foregoing distinctions between cost and demand as bases for price fixing suggest another phase of this great problem. Whenever the question arose as to whether materials used in the manufacture of a given product should be taken into cost on the basis of their market value or the cost to produce them, a difference of opinion manifested itself. A notable illustration of this occurred in fixing the price of lumber. The lumber manufacturers insisted that their stumpage should be considered at its market value, which reflected the high war prices of lumber, while the Federal Trade Commission, in reporting costs to the Price Fixing Committee, endeavored to ascertain the actual cost to the lumber manufacturers of this raw material.

In order to understand this point it is necessary to bear in mind that the problem of the price-fixing agency is not merely to decide upon the reasonable price but also to insure that its decision will be observed. Its problem is made easier when the raw material involved in the production of any given commodity is consumed by the producers at a uniform valuation, as this appears to make greater uniformity in cost. Naturally, too, it is easier to satisfy those in the industry when they are allowed to retain profits made on stocks of materials purchased during periods of advancing prices. The significance of these points is increased by the fact that those engaged in determining the price fixing were often business men whose point of view seems to have been naturally sympathetic toward the easier and more "liberal" course.

In the case of lumber, a sort of compromise was at first adopted, in that the charge made to cost for stumpage was somewhat greater than the actual cost of the stumpage to the lumber companies and somewhat less than the current market value. More or less consciously the policy was adopted in this case of charging the raw material in on the basis of its pre-war value, the idea being that the owners were entitled to appreciation in value which had accrued prior to the time that prices became subject to regulation. When, however, the Food Administration fixed the margins of dealers in cottonseed, it was stipulated that the margin was to be based on cost of material

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and not replacement value. Nevertheless, this same Food Administration through its Sugar Equalization Board adopted the extreme application of the value basis. In August, 1918, it was announced that the Sugar Equalization Board was to buy all sugar held by the refiners at the old crop price and to sell it back to the same refiners at the new price, thus equalizing costs and profits. The gain by the transaction was to be absorbed by the Board, the government thus taking a speculative profit that would otherwise have gone to the refiners. This action may have been taken entirely on grounds of expediency connected with price fixing, but it is not improbable that the price of sugar was made somewhat higher as a result.[1] As time went on, disputes arose between representatives of the lumber industry and the government concerning the stumpage figure, and, both in this case and in the case of copper, the question was finally settled by making no charge for the raw material in cost but throwing it into the allowance for interest and profits. This was another compromise measure; but it was one which, on the whole, worked in the interest of the government and toward a correct solution of the problem. Under this arrangement it was possible to compute exact operating costs without any allowance for "depletion" of timber or ore, just as costs had commonly been computed in the industry in normal times. Then the same margin could be added to the cost which had been obtained in normal times. This margin might be called the "net back to stumpage" or the "net back to ore in place" and included three items: (1) replacement for depletion of raw materials; (2) interest on invested capital; (3) profits of enterprise.

As a matter of fact there are two rather clearly defined cases to be distinguished: One exists when a manufacturer buys his raw materials; the other when he secures his raw materials from sources which he owns. When he buys his materials at market rates, the market price is actual cost to him. Moreover, he assumes a risk of fluctuation in market price which is

[1] Not higher than it would have been without regulation. There can be little doubt that the activity of the Food Administration saved the sugar consumers of the United States millions of dollars, but more might have been saved.

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necessary, for he is buying to meet his *current* needs. On the other hand, when the manufacturer produces his own material, directly or indirectly, the market price generally is not his actual cost and may include a large element of profit to him. (1) In fact, any *value* which he may put upon the materials, other than their actual cost value, is entirely hypothetical. There has been no *bona fide* sale. (2) The market value would be estimated on the basis of the high price of the finished product which is in question. (3) Moreover, the source of the materials may be assumed to be sufficient to supply the needs of the manufacturer for a long period and may be called a funded source. To allow the manufacturer to charge the materials at market value, when that is in excess of cost, would be to "write up" or appreciate the value of a fixed asset and might lead to the vesting of such a valuation, which would tend to increase price and the profits of the manufacturer. (4) Finally, it is practically certain that few, if any, manufacturers would allow the rule to work both ways; for they would not care to charge their materials into cost at less than the actual cost to produce them even if the market price should fall so low.

The writer's conclusion is that the market value of materials may, without error, be charged into cost when such value is actually in continual process of becoming the cost of the manufacturer. Thus, a cotton spinner must buy his supplies of cotton, and the price he pays represents cost to him, even though the price subsequently rises, and his materials inventory, therefore, increases in value. Sound price-fixing policy dictates that the current or anticipated cotton market be made the basis to which the manufacturer's conversion and selling costs will be added. On the other hand, when the manufacturer does not *bona fide* buy his materials but produces them directly or indirectly, the cost of production should be the basis, for value would not in this case equal cost, but cost plus profit. Naturally, if raw material is taken into cost at its market value, any investment in the supply thereof must be deducted from the total "investment" used as a basis of "return" above cost. Otherwise the producer is given interest and profit twice.

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The different degrees of integration existing in an industry have caused much confusion in the thought of those engaged in fixing prices.[1] But, to the writer's way of thinking, the question is merely one of competition between different kinds of business organization, each regarded as a competing unit. Whether a concern actually buys its raw materials or not, it is attempting to compete with all other concerns which make the same product, even though these other concerns own their raw material. If some companies buy their raw materials, while others produce their raw materials, the price on the given product must either be high enough to cover the cost of those who buy, or not. If the price is high enough, those who buy their materials are allowed to exist; if it is not high enough, they must either secure the advantages possessed by their competitors or go out of business. To take any other point of view would be to regard integrated concerns as disintegrated, in that their costs and profits would be regarded as split into as many stages as might be occupied by independent business units. It would, for example, treat the lumber manufacturer as though he were engaged in two separate and, perhaps, conflicting businesses: (1) that of a speculator in timber; and (2) that of a manufacturer of lumber.

In any event the non-integrated manufacturing company has a smaller investment per unit of finished product and should require a correspondingly smaller margin over cost to yield a given percentage of return to capital.

6. *Investment and Return on Investment*

Perhaps the chief difficulty of the price fixer in most cases concerned the allowance of fair return on investment. The first question which confronted him on this score was, what is the true investment? Here we again meet our old friend "cost *vs.* value". This phase of the matter was never satisfactorily dealt with by any price-fixing agency during the war. The Federal Trade Commission in connection with its cost findings frequently reported to the Price Fixing Committee of the War

[1] See above, pp. 269–270.

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Industries Board a figure representing the investment, but time did not permit the careful investigation that would have been necessary to ascertain the actual money invested, nor was the attitude of the price-fixing agency, as a rule, one which favored the strict construction of "investment". Indeed, this is but a larger aspect of the point already touched upon in connection with the depletion of mineral and timber lands. In general, it may be said that in a majority of the price-fixing operations of the War Industries Board, some consideration was given to the estimated investment and that in such cases the figure used was one which lay somewhere between the book value claimed by the companies concerned and the actual net investment made. This resulted from the fact that the investment was estimated in most cases by deducting from the sum of the stock, funded debt and surplus, any "outside" investments, good-will and reserves for items covered in cost.[1] On the other hand, a majority of the price-fixing operations of such agencies as the Food Administration appear to have been made on the basis of a margin (interest and profits) per unit of product, determined upon with reference to past experience. Of course, exceptions exist to these statements.

In cases in which the investment played an essential part, numerous questions arose, only two of which will be here referred to. First, should the average investment be taken or should a marginal investment be used? The prevailing practice appears to have been to use an average investment, though, in fact, the figures used were generally so liberal as virtually to constitute marginal figures. The use of the average investment is warranted on the assumption that it approximates the investment necessary to produce efficiently a unit of the product concerned. Inefficient or unwise investments are not entitled to the same rate of return as those which are economically justified. Some companies hold enormous supplies of raw material for speculative purposes; others have made investments which are too large, bringing their plants upon a basis which experi-

[1] *E. g.*, "Reserve for depreciation". The depreciation having been allowed in cost and the price based on cost, no further allowance is necessary.

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ence has shown to be uneconomical. If the large investment does not result in a lower unit cost of production, the company of large investment must, under competition, take the results of a mistaken policy and accept a lower rate of return. The only fair price-fixing policy in this regard would appear to be one of ascertaining the investment necessary for the reasonably efficient operation of a plant for the purpose of making money.

Sometimes a rate of investment per unit of product is generally recognized in an industry, and such rates are sometimes used by banking firms as a basis of extending credit. Thus, in the cement industry most engineers would admit that before the war from $1.50 to $2.00 was sufficient investment per barrel of annual output; in the sulphuric acid industry, from $25.00 to $27.50 per ton should have been adequate; and in the newsprint paper industry, it appears to have been generally agreed that the reasonably efficient plant in the United States should not have an investment in excess of $25.00 per ton of daily capacity. Such figures represent a kind of average. The Federal Trade Commission in most cases found it feasible to ascertain the fair average investment per unit of output.

Aside from the problems involved in ascertaining the true total net investment, the chief difficulties lay in the variations between capacity and actual output and in the necessity of sometimes distributing the investment among several different products.

The second question concerning investment which will be specially referred to is that arising out of special war construction. In not a few cases plants were built and mines opened up, which it was known would be of little or no value at the end of the war. On the whole, no clear policy appears to have been outlined by the price-fixing agencies with regard to the amortization of such investments. It is probable that in many cases a general allowance was made in the shape of a specially high price, with the feeling that the company concerned could take care of its investment out of the large margin which it would make. Such provision, however, is not business-like and may prove quite vicious. The correct policy would have been to allow the honest and efficient investments made specially for

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war purposes to be written off during the probable period of the war, down to their scrap or alternative-use value. Of course, the original investment in such cases should be valued at cost.

The next question which confronted the price-fixing agency was, what return shall be allowed upon the investment? In case the investment was a known quantity, this question reduced itself to a question of percentage. In case, however, the investment was not known, some provision had to be made in the shape of a margin above cost to be allowed per unit of product sold. In either case, the price was generally made sufficient to allow a margin over the marginal cost, which would allow not only interest on the average investment, but a fair rate of profits to the enterprise. In attempting to reach such a margin, the price fixers could, and did, consider many things, among which may be mentioned the past margin and percentage on investment received in the industry under consideration; the percentage of margin on sales taken together with the rate of "turnover"; the risk involved; the need of stimulating production; the whole situation as to the range of costs,—as to whether the price under consideration would result in enormous profits to supra-marginal producers, or whether it would put out of business too large a portion of high-cost producers.

In so far as the Price Fixing Committee of the War Industries Board is concerned, the practice developed in cases in which the data were available of taking 10 per cent. on the average investment as being a sufficient allowance above *marginal* cost to cover interest and profits. No doubt, questions were raised as to whether it was necessary to make any allowance at all over marginal cost in addition to interest—say at 5 per cent.; but it is to be remembered that the prices fixed were generally maximum prices, and that with advancing costs and war conditions it was not deemed wise to shave too closely.

In merchandising businesses the investment has little significance for price-fixing purposes. A broker, for example, may do a million dollars worth of business with a very small amount of capital, the chief factor in his business being his personal exertion and shrewdness.

In abnormal periods of advancing costs and prices it may be

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well to consider the results carefully before attempting to fix prices by limiting margins to any certain percentage either on cost or on sales value. And the Food Administration probably did well in fixing a flat margin per barrel on flour. Nevertheless, the 25 cents per barrel allowed in this case was too large and the actual margins earned were much greater than those probably anticipated.[1]

A point which caused much misunderstanding and ill feeling was the relation of previous lean years to the margin of profit to be allowed by the price-fixing agency. Ordinarily, under competition, lean years and fat years offset one another, and the losses of the one are borne for the sake of the gains of the other. Not unnaturally, therefore, the representatives of the lumber and other industries urged that inasmuch as they suffered as a result of the European War, they should be treated liberally in the price fixing. To such arguments, however, the Price-Fixing Committee turned a deaf ear, their reply being that this government was not responsible for the war and could not undertake to insure industry against loss. The committee attached considerable weight to the rate of profits made during the years prior to the war. Clearly this stand was wise. No proof could be furnished that 1917 or 1918 were ordained to be fat years. Rather it would seem that our entrance into the war, like the proverbial "act of God", brought about an interruption in the normal course of events and postponed for a season the coming of the usual fat years.

7. *The Problem of more than One Price for the same Product; and Pooling*

One of the practical difficulties with which the government price fixers had to deal was the problem of buying from individual companies at individually determined prices. The Railway Administration would undoubtedly have been able to effect great economies by purchasing coal from companies whose low costs would enable them to sell more cheaply than the price

[1] As a matter of fact, on account of taxes and penalties, neither the anticipated nor the actual margins could be known.

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fixed for the public. There is evidence that it desired to do so but was restrained by the Fuel Administration's anxiety to maintain the market,—and with it, wages.

If prices were fixed merely on goods purchased for government account, and if the government purchase was a relatively small part of the total output of the industry, it was common to fix a different individual price on the output of each company. Under commandeer orders, and in a few other cases, the prices were fixed on the basis of individual costs or of fixing different costs for small groups of producers. This was the case with common brick, and later, at least, with sulphuric acid.

When, however, the purchases for the government were the dominant factor in the market, as in the case of copper, the tendency was to fix a single price on the basis of marginal cost. Here practically the entire business of the companies was concerned, and, accordingly, the total profit arising from superior efficiency was at stake. Various schemes were proposed for granting special prices to high-cost copper producers or for pooling the production but were not adopted.

When a price to the public was involved, the problem was somewhat like that which confronted the government as the sole buyer, and sound price-fixing policy seemed to be to approximate what would take place in a competitive market. This meant a single price with differential profits to supra-marginal producers. Indeed, the possibility of making separate prices for the same kind of product, coming from different concerns, was limited by competitive and market conditions, as in the case of Michigan cement and Virginia-Carolina lumber.

A pooling system was strongly urged in the case of steel rails, coal, and—in a modified form—of copper. It was not adopted, because pooling would have involved the organization of considerable machinery for administration as well as considerable risk through the accumulation of stocks. In any case, too, the plan would have necessitated not only the careful ascertainment of the cost and the investment of each producer but the fixing of a separate price for each, which would have multiplied the work of price fixing. The trouble experienced

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by the Food Administration in attempting to regulate flour prices on a cost-plus-profit basis illustrates this difficulty.

Pooling, however, was undertaken in several cases in which the object was not so much to equalize profits as to ration or to control the distribution of the product. This was true of raw sugar, wool and tin; and the guarantee of a minimum price for wheat constituted a potential pooling arrangement. In these cases, the producers were paid the same price and allowed to retain any differential profits resulting therefrom, the government merely undertaking to supply the needs of the country at reasonable prices. Nevertheless, while in these cases the price fixing was not complicated by dealing separately with each producer, the administration was difficult, and above all the government was financially involved in an unfortunate mistake, *e. g.*, in wheat, tin and wool.

[*To be concluded*]

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THE POLITICAL IDEAS OF JAMES I[1]

I

THE study of political ideas has been unduly neglected in English-speaking countries. We have no such history as Gierke's magistral survey of German associations, though our group-life is even more prodigal of riches than that which he recounted. No English monograph exists comparable with his study of Althusius, though the thought of Locke, to take only a single example, provides the materials for a not less magnificent analysis. Two brilliant volumes of Figgis, a classic preface of Maitland, some penetrating criticism of Leslie Stephen, a solid essay by Gooch—these represent almost the whole of what may be rated as of first importance. The kind of work so admirably done in France by Henri Michel and Dreyfus-Brissac has so far found no imitators either in England or America. It is a curious negligence, for the history of political ideas is so closely related to that history of political structure in which Anglo-Saxon writers excel as to make explanation or excuse at least doubly difficult. Nor should an America that is plethoric in political experiment be backward in tracing its affiliations; Harrington and Locke and Montesquieu thought to the purpose of a later generation.

Professor McIlwain's volume is in the right tradition. It is, he tells us, the first of a series in which he and his colleagues propose to reprint those volumes that most of us have hoped to see one day in a bookseller's catalogue. Nothing is so greatly needed as to make accessible the classic texts of the Renaissance and Reformation. The existing copies of Althusius' book cannot exceed a score in number; only one copy, at least, has found its way into an American public library. The *De Concordantia Catholica* of the great Cardinal of Cusa, the *Vindiciae* of Duplessis-Mornay, the *De Justa Potestate* of Rossaeus,—these and books like these we must have at our elbow if we are to understand the foundations of the modern state. After three centuries we ought, at least, to make vaunt that we have outstripped the massive compilations of Melchior Goldast, yet Professor McIlwain tells us that later volumes must depend upon the success of his own. And if we are to be honest, we must admit that this postpones indefinitely the likeli-

[1] The Political Works of James I. Edited by Charles Howard McIlwain. Cambridge, Harvard University Press, 1918—cxi, 354 pp.

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hood of their appearance, for we lack that *gelehrtes publicum* to whom such a volume is an event. Yet it is books like these we must have if historical science is to attain its ripest fruits.

Professor McIlwain merely reprints the works of James from the standard edition of 1616, but he adds thereto a preface of some hundred quarto pages. An Englishman may be allowed the remark that it is the most admirable contribution to its subject that has been made by an American scholar. It is at every point learned and exact, and it is rarely indeed that it is not convincing. Its main value lies not so much in the appraisal of James' ideas, to which little attention is given, as in the attempt to set them in their historic perspective. Something of this, indeed, Dr. Figgis had accomplished in his *Divine Right of Kings;* but to him the theories of James were a relatively unimportant incident, where to Professor McIlwain they serve to demonstrate that England was plunged into the midstream of European political thought. His narrative is, in fact, a full demonstration of the reason why, in the great counter-movement to reform, England, together with Holland, was alone able to avoid the primrose path of bureaucratic absolutism. Little of what Professor McIlwain has to say is actually new, and he rarely attempts its evaluation. But his insistence upon More and Campanella as masters of the controversial art is particularly arresting, and it forms a welcome antithesis to the conventional picture of two dreamy idealists weaving the vision of a fabulous empire. Nor must we miss the illuminating appendix upon the political literature of the Tudors. No one acquainted with that literature can doubt that Professor McIlwain is right when he argues that political theory in England begins with William Tyndale. Fortescue is concerned with *Politik;* it is Tyndale's *Obedience of a Christian Man* which lays the foundation of an English *staatslehre*. That is a valuable note to strike, for it rightly emphasizes at once the roots from which the modern English state has sprung and the main political problem which it is the business of each age to answer.

II

That problem is the ground of obedience. The spectacle of the voluntary submission of vast numbers to a small portion of themselves is an arresting one, for, as Hume remarked, ultimate force is always on the side of the governed. The problem of securing unity in the state is always typical of an age of crisis; and it was to solve it that the thinkers of the Counter-Reformation above all struggled. Luther had broken into pieces the Christian Commonwealth of the medieval per-

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iod; the religious wars had completed the disintegration of feudalism which the nationalist tendencies of the previous century had begun. "With the idea of the Commonwealth"—Professor McIlwain is speaking of the new state described by Bodin—"had come the need of re-stating the relations of its parts with one another, in particular, those of the King with his subjects." It was no easy task. The period of the Counter-Reformation shows everywhere a passionate worship of unity; even the *Politiques* embrace toleration on the low ground of expediency. "Diversity in an age of uniformity", says Professor McIlwain, "inevitably brings persecution, and the acceptance of uniformity as a principle means that each party demands the supremacy of its own doctrines." The questions thus raised are amongst the profoundest that have troubled mankind. How can a Catholic give Elizabeth her due allegiance when Pius V has urged her dethronement as a heretic? What, in an age when Augsburg had consecrated at least one heresy, is to be the nature of the papal power? What is the bond by which the new state is to maintain its hold upon its subjects? The problem did not confront the Romanists alone. Presbyterianism, at least in its Scottish development, insisted upon the separation of the "two kingdoms", and the allegiance of its adherents to a secular sovereign could never be entire. The Calvinists under Henry III found themselves preaching the sovereignty of the people and under Henry of Navarre the divine right of kings. Yet each group of thinkers is so convinced of its own rightness that, Robert Brown and William the Silent apart, the ideal of liberty of conscience, as a human right, is for them largely without meaning. The effort is to rewin the unity which the facts have thrown into jeopardy.

It is from that effort that the chief hypotheses of modern politics are born. The divine right of kings, the sovereignty of the people, the social contract, the conception of power as by its nature a trust, are all of them answers to the questions of why and in what degree men must obey their rulers. The Counter-Reformation is thus the parent at once of liberal doctrine and of absolutism. The persecuted, whether Jesuit or Puritan, become the inevitable creators of principles that make for the redistribution of political power. They are driven to revolutionary hypotheses as the necessary condition of survival. Men like Hotman and Buchanan deny the divinity of kings simply because they fear that kings will uproot their faith. Power, so they urge, is dependent upon conditions and the people must determine the nature of those conditions. The retort is obvious when a Protestant is on the throne; and Boucher and Rossaeus do not fail to make it. For

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if power is ultimately in the people and if the object of the state is virtue, clearly enough the people will not tolerate a heretic upon the throne, for his faith is incompatible with a virtue which is defined by the decrees of Trent.

Only one answer was possible to such an outlook, and that was the assertion of the self-sufficiency of the civil power. Separation of church and state is only one side of that hypothesis, for it was still possible and still widely deemed desirable to put the state in place of the medieval church and make its boundaries coëxtensive with the limits of mind. That, at least, is the theory which eventually lies at the bottom of practices like those of Whitgift and Bancroft and Laud. But there were at least two groups of thinkers for whom such acceptance was impossible. No Catholic could admit that obedience was due, at least in religious matters, to a heretic. No Presbyterian could accept the implicit Byzantinism of the Act of Supremacy; nor did what Maitland termed the genial "etcetèration" of Elizabeth make their problem in any wise easier. Kings, for both, might rule by divine right, but it was only so long as they confined themselves to the secular domain.

It thus seemed that the problem of unity confronted from the outset an impossible dilemma. The Anglican state could, from at least half its members, exact an allegiance at no moment undivided or entire; and Elizabeth, as Cecil argued, seemed, therefore, driven into persecution in order to maintain her political position. A member of the Anglican Church gave his Queen more than Catholic or Puritan gave. For him there was no corner of the field over which her *imperium* did not extend. But each royal order demanded close scrutiny alike from Puritan and Romanist. Their obedience had in it an element of contingency which to the upholders of unity made it both doubtful and dangerous.

The problem had clearly to be met; and the work of showing the non-contentious character of the papal power is mainly a construction of the Jesuits. Here, indeed, as elsewhere, they were adapters rather than originators. They owe much to Buchanan and Melville, more perhaps than they would own. But in their hands political theory was more finely wrought and more subtly fashioned than by any thinker of the time except Althusius. Professor McIlwain admirably explains the character of their effort. He insists upon their connection with the schools of Presbyterian thought. "Brought into conflict", he writes, "with the power of secular governments that recognized no exemption from their oversight, the Jesuits, who had become the chief champions

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of the Catholic Church and the Papacy, were now forced as the Calvinists had already been to develop doctrines of a limitation of royal power in the interests of the people, on the one hand, and on the other of a separation of the fields of ecclesiastical and secular jurisdiction." They aimed, in fact, a vital blow at the divine right of kings; and works like Parsons' *Conference on the Next Succession* became text-books for democratic writers. But on the ecclesiastical side their task was an impossible one. They had to prove the legitimate character of a papacy which would not surrender one jot or tittle of its ancient prerogative, and it was this which led Bellarmine to the theory of the indirect power. It is a vital doctrine, for in it, even if somewhat concealed by the polemic of the time, lie the real foundations of international law. Broadly speaking, the pope is regarded as standing to his subjects in England as the king of France to Frenchmen resident abroad. He has, that is to say, a reserve power of protection which maltreatment, or potential maltreatment, may call into play. Clearly, therefore, the papal attitude to a foreign sovereign will depend upon the religious laws he may feel constrained to operate.

It is a doctrine that brings comfort to men of diverse views. It enabled Parsons to lead the party of no compromise on the ground that the occupancy of the throne by a heretic immediately brings the reserve power into play. In enabled men like Roger Widdrington to argue that the loyalty of Catholics is, in theory at least, unassailable, since even by the Jesuits the life of the state is admittedly divorced from that of the church. The doctrine, of course, is the coronation of opportunism, and Bishop Andrewes did not hesitate to urge that to argue for potential power, the exercise of which is dependent upon conduct of which the pope only can be judge, is destructive of the whole theory of the two kingdoms. The Catholic, in fact, is for the Protestant not less a traitor because theory can put his power of treason a stage further back. The only comment we can make is the inference drawn by Professor McIlwain. The Jesuits were not toying with principle in the sense of caring for it lightly. Their motive throughout was the recovery of the papal kingdom, and if they suited their statesmanship to the hard demands of necessity, only the most bitter will blame them, for they worked with the halter around their neck. "A sixteenth century Jesuit", as Professor McIlwain remarks, "might be a traitor, but his is not the character of a trimmer." He might suit his sails to the varying winds, but he had no doubt whatever of his harbor.

Certain at least it is that the work of the Jesuits in England precipitated the controversy which produced the main body of political theory

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in England for a generation. They split the English Catholics into a party whose attitude resembles that of the *Politiques* in France and one which had the single ideal of restoring at any cost the pope to his ancient kingdom. They fought, as any one who reads Christopher Bagshaw's *True Relation* can see, with a bitterness that not even the antagonism between Protestant and Catholic surpassed. The extremists were largely converts to Rome and, like all converts, optimistic. Parsons himself seems never to have doubted that England would lie prostrate beneath the heel of Rome, could Philip but safely land his army. Naturally enough, it was to this party that the popes themselves inclined; and the victory of the Jesuits over the seculars virtually involved the resort of Elizabeth to persecution and the growing emergence of the idea of divine right. The indirect power came almost at once to involve the deposition of heretical kings; and the problem in England was more acute for all parties by reason of the obvious possibility that the succession might be disputed. And at a time when, in the face of the theory of separate powers, Elizabeth, despite her "etceteration", was most patently supreme governor of the church, it seemed clear enough that a thorough-going definition of allegiance was necessary when the stake was the English Kingdom. The Jesuits lay at the back of treason and plot. Their very determination was the parent of the divine right of kings.

The situation, in fact, was akin to that of Luther. When a divine institution refuses self-reformation, the divinity of the means of cure very obviously demands its proof. So Luther asserted the divine right of the German princes and, perhaps as an after-thought, the affinity of Rome with anti-Christ. That Elizabeth, two generations later, had a dilemma to face hardly less tragic in nowise eased the Catholic position. "The historian", as Professor McIlwain says, "ought to see a clash of irreconcilable principles; a contest for absolute power over an undefined field by two *jure divino* authorities, the King and the Supreme Pontiff." There could be no settlement in an age where diversity was sin and unity the most admirable of virtues. It needed the bitter experience of civil war at home and foreign conflict abroad to make men willing to explore the possibilities of that toleration for which stout citizens of London like Leonard Busher and unknown enthusiasts like Samuel Richardson so nobly contended. Even then it needed the drastic urgency of William III to persuade an unwilling people to the experiment.

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III

It is in such a background that Professor McIlwain sets James I and his ideas. Throughout his life the effort of James is no more than a variation upon a single theme. Its single virtue is that consistency against which Sir Henry Maine uttered an admirable, if ironic, warning; and, indeed, the dangers of consistency have rarely been more evident than in the thorough-going fashion in which James attempts the application of his doctrine. Nor can there be any doubt as to the meaning of James' absolutism. It was never altered by contact with new environment, though as Welwood points out, it may have originated in the circumstances of his youth. Melville and Buchanan were likely by repulsion to convince James of the nobility of his office; and the fate of his parents may well have attracted him to theories which, ideally at least, put kingship beyond the censure of the mass of men. The divine right of kings meant to James exactly what it said. "Kings", he wrote, "are the breathing images of God upon earth", and he strove to give the hard substance of fact to this conception. He admitted no limitations. Even an evil king was sent of God to punish his people. Inferior office was derived from the royal will. Subjects had duties without rights. Law was the affirmation of the king's desire. The power of Parliament was the duty to offer its advice when asked. And it is clear enough from James' relations with the Puritans that he welcomed no doctrine and no institution of which the underlying idea suggested even a penumbra of independence. Crown and state were interchangeable terms.

Professor McIlwain points out how much of Scoto-Romanism has gone into these conceptions, and it is clear enough that they are irreconcilable even with Tudor constitutionalism. They rest ultimately upon a basis of feudal theory that had already suffered disintegration under the forces of sixteenth-century nationalism and of which the obsolescence is made manifest in the Act of 1660 for the abolition of feudal tenures. They are incompatible with a constitution which had already witnessed the deposition of two kings and treasured up fundamental law over a period of four hundred years. Indeed, as Professor McIlwain says, the real root of James' difficulties lies in the fact that not even twenty years of difficult government enabled him to understand the English constitution. *The Trew Law of Free Monarchies* is his Bible, but neither Puritans nor lawyers could find comfort therein. He presupposed a people incapable of self-government and thereby misunderstood the political instinct of his generation. He was an absolutist amidst a people whose essential genius lay in the relativity of

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mitigation. The result was conflict and inevitable conflict; nor did the vigorous antagonism of his Parliaments teach him the meaning therein implied.

James' theory needs discussion from two angles. Broadly speaking, he was, in the first place, urging a special theory of prerogative. It was a dangerous effort, for prerogative has a history; and obstinate, if pedantic, lawyers were at his side to urge upon James that its meaning was to be discovered in its origins. Prerogative, as Professor McIlwain says, may have been high, but it worked within limits reasonably capable of effective definition. It was essentially a reserve power, to be used, in Blackstone's excellent phrase, "out of the ordinary course of common law". Prerogative, in fact, begins where the law ends; and it is over the vague hinterland of confused disturbance that sovereign prerogative is intended to act. No one can read Staunton or Sir Thomas Smith, who, after all, stand outside the controversy of James' reign and have no case to plead, without seeing that to them the essence of prerogative is just this admission of the supreme control of law. It is, indeed, the final case against James' theory that his opponents, whether lawyers like Coke and Selden, or parliamentarians like those who drew up the protest of 1621, should have used no argument not to be found in the precedents. Novelty begins only with the Long Parliament, and it is the natural offspring of royal, but impossible, demands. James thought of prerogative as identical with sovereignty and took it unto himself. But the fundamental idea that the sovereign power was the fusion of noble and popular wills with the king's determination had already been sanctioned by the practice of Elizabeth herself; and when James argued against that view, he was already too late. The limitation he admitted—the duty incumbent upon a king to care for the welfare of his subjects—was meaningless in the light of his own reign and that of his son. Parliament saw that a will limited only by its own sense of right is in fact not limited at all, and it responded in the natural fashion of men who had ancient and venerated documents capable of being interpreted in their support. The struggle which ensued was, as Professor McIlwain remarks, "in all its stages a contest between law and absolute power." What the issue might have been if James had been a great statesman, willing to use men like Bacon to translate the doctrines of Dr. Cowell into the Byzantinism of fact they demanded, we cannot tell. It is at least certain that his incapacity laid the secure foundations of constitutional government.

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IV

The constitutional struggle of James' reign is the most important consequence of his ideas; yet, so far as the theory of politics is concerned, it is secondary in significance to the controversy which arose out of his attempt to enforce an oath of allegiance upon his Catholic subjects. This effort is, in reality, the positive side of Elizabeth's negative policy. She did not attempt the definition of disloyalty; it was only when book or act revealed it that suppression followed. James went a step beyond. The oath of allegiance was intended to divide Catholics into those who could be trusted and those who would refuse to admit the fullness of his power. Professor McIlwain's discussion of this controversy is by far the ablest, as it is the most original part of his book. It is difficult, indeed, to admit his view that the oath is a step toward the acceptance of the two powers and thus a stage in the history of toleration, for James' attitude toward the Puritans and the zeal with which he embraced the Anglo-Catholic cause show that he was still an eager adherent of the ideal of uniformity. As Professor McIlwain himself says, James' "views of the danger of heresy are in no respect different from those of the Holy Office"; and in the general background of his ideas, that implies the principle of territoriality in religion, which is at bottom logically fatal to dissent of any kind. The oath confirmed the Church of England as the national church, and its implications are responsible for that frenzied assault upon nonconformity which reached its administrative zenith in the Clarendon Code.

James, in fact, taught the Anglican Church the value of political doctrine as a means to political victory; and he thereby sanctioned that policy of exclusion which made impossible comprehension on the one side and toleration on the other. A good Catholic may well have denied, as Widdrington and Barclay denied, the temporal power of Rome; but it is difficult in the extreme to see how he could in good faith have promised, as the fourteenth section of the enacting statute demands, not to bring converts to the church he believed to be the only church of Christ. Unquestionably, as Professor McIlwain argues, the object of the oath was to widen the gap between the Jesuits and their rivals, and to a large extent it succeeded in its aim. But the mere abstention of James from claiming religious supremacy in the oath, at a time when he was laboring to identify the pope with anti-Christ, is hardly opening the path to more tolerant ways. The act may not touch the spiritual supremacy of Rome; what it does may be, as Professor McIlwain says, "to deny emphatically that the Pope can ever override this division [between secular and religious power] by

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exercising the secular power of deposition under pretext of a spiritual end." But James was himself here defining the boundaries of the spiritual merely to suit his own convenience; and, as Professor McIlwain himself admits, he was making his Catholic subjects accept his definition in terms so offensive as necessarily to pain any Catholic with a regard for the religious position of Rome.

This attitude, at least, seems to be confirmed by the debate which followed. The Catholic party was divided at once into two great classes; and later discussion has only confirmed the division. The controversy is, at bottom, the most fundamental of all debates until our own time—the problem of the temporal power of Rome; for it is only with the birth of scientific theology in the nineteenth century that we have the final argument for the supremacy of the state. Catholics like Bellarmine, who were convinced of the divine character of the Roman mission and the nobility of any effort which secured its triumph, could be answered only by a rigid historical examination of the Roman claims. Those who, like Widdrington, denied the temporal power of the papacy and thus admitted that the oath was justifiable, were in fact cutting at the root of that which gave Rome her decisive influence in the affairs of men. And, for the seventeenth century, the oath was a focal point in the whole theory of the Counter-Reformation. "England", as Professor McIlwain points out, "was universally recognized then as the one corner of Christendom in which there was still hope of checking the onward moving tide of the Catholic reaction." This it is which explains the eager and widespread interest which statesmen and scholars alike could take in the debate. It was no unimportant task to break lances with a king; and a war of pamphlets in which James and Bellarmine, Casaubon and Du Perron, Widdrington and Parsons, were the protagonists, could hardly fail of illumination. Nothing, certainly, in this epoch throws so vivid a light upon the stakes at issue in the struggle to which Luther had given birth.

Professor McIlwain gives us a careful analysis of the historical succession of the pamphlets which, if less full than the admirable account of Krebs, is amply sufficient for the purpose. The argument on both sides is clear enough. The position of James and his adherents, whether in England or in France, is that the purpose of the oath is the securing of civil allegiance. In the case of men like Widdrington there is no desire to belittle the spiritual power of Rome. Rather is there, not seldom with a tone reminiscent of Wyclif's teaching, an urgent sense that her greatness depends upon her willingness to free herself from the dangers of temporal interference. But suppose her

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insistent in claiming the right of such interference, and Widdrington goes on to deny at once its historicity and its value in the modern world. It is, in fact, the parent of political confusion and, almost in the language of the *Politiques* a generation before, Widdrington insists upon the self-sufficiency of the civil power and the dangerous tumult involved in the view that it should, if need be, perish for religion's sake. There is a clear notion throughout his argument that, after all, the roots of obedience are in the individual mind, that unlimited commands on one side or the other are bound to result in forcing disaster. The reader of it can hardly fail at times to be reminded of Newman's famous *Letter to the Duke of Norfolk* and again of that letter from Tyrrell to the Father-General of the Jesuits which is, perhaps, the ablest analysis of the psychological background of government in the whole range of English literature. Widdrington occupies the same ground relative to James and Bellarmine as Newman to Gladstone and Manning. He is anxious to minimize claims on both sides that moderation may result in an equitable adjustment. Professor McIlwain does him no more than justice when he insists upon "the remarkable keenness of his criticism and the force of his language". Not even Bellarmine himself was capable of more effective utterance.

It is difficult not to believe that the real strength of James' position, his possession of force apart, lay in the support afforded to him by the moderate Catholics. Yet there was able argument from his Protestant adherents. His own efforts, as Professor McIlwain says, would hardly have been noticed had his position been less dignified; but the writings of Casaubon and Andrewes and Donne were not unworthy of their opponents. Mainly, their effort is to show the unreality of a claim to loyal allegiance which still admits the presence of a power outside; and they argue, with no little show of historic justice behind them, the incompatibility of royal government with the pretensions of Rome. Nor does their effort end with the contemporary character of the debate. The immense volumes of Baronius were intended as nothing so much as an answer to the Protestant interpretation of early Christian history; wherefore Isaac Casaubon must be set to analyze it, page by page and fact by fact, that the learned may see in what unscholarly fashion the claims of Rome are vindicated. The *Convocation Book* of Bishop Overall was obviously drawn up in the heat of this contest. It not only, as Professor McIlwain says, "made an explicit denial of all the grounds on which those claims were based, and of all the theories to which they gave rise", but it proved to Archbishop Laud "the supremacy of Kings and chief civil magistrates above the High Priest from

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the creation to the end of the Jewish estate", and Overall does not conceal that it is the identification of Rome with anti-Christ that is his main concern. Even when, in 1622, James set Laud to answer the sophistries of Father Fisher it was to these arguments that the prelate went for his main support.

The most brilliant of James' adversaries lay, however, not in Rome but Paris. Four years after the dagger of Ravaillac had ended the great dreams of Henry IV the States-General met for the last time before the Revolution. Paris, as always, was ill-disposed to Ultramontane theory; and its *cahier* had suggested the need of an oath whereby the "impious and detestable" doctrine of the right of deposition might be condemned by officials and ecclesiastics. Clearly enough, its adoption would have raised in France a warfare of pamphlets not less acute than that already raging; and the underlying Gallicanism of the French Church might well have rendered the debate both dangerous and bitter. Cardinal du Perron was, therefore, delegated to soothe the anger of the Third Estate. The man who had already disquieted the profound Protestantism of Casaubon was well fitted for the task. A convert to Rome, his memory was unfathomable, his dialectical power unsurpassed, and if his learning, as Andrewes was later to show, left not a few loopholes for antagonists, it was yet profound enough to raise no question of his fitness for the office. It was with one eye upon James and England that he wrote. Virtually the oath condemns the church and must thus prove the parent of schism. It would create great conflict between the demands of the state and the claims of conscience. It is thus a seed which when sown is like to destroy that union of church and throne in France upon which the unity of the kingdom depends; and Perron even argued that this was not the least motive by which James himself was moved. It was useless for Miron to answer that the oath was a civil safeguard against the religious cloak under which assassination was fostered. The Third Estate might grumble, but the Council forbade discussion of the oath; and Perron's argument alone survived to demand response from James and his adherents. The result was James' *Remonstrance for the Right of Kings*, perhaps the ablest of his works and a clear defence of his original position that the indirect power of Rome in logic spells royal dependence on the papacy.

It remained for a lawyer who stood between the claims of Rome and England to sum up the debate in a fashion of which the spirit stands nearest to our own day. Barclay's *De Potestate Papae* not merely influenced those Catholics whom the debate till 1609 had left in hesita-

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tion, but, as Professor McIlwain remarks, is "one of the most effective presentations against the temporal claims of the Pope." The book, indeed, did for the seventeenth century something of the work accomplished by Döllinger's *The Pope and the Council* in the great infallibilist controversy. It caused many, said the Archpriest Birkhead, "to stagger about the oath." The discussion is valuable not so much for any novel elements that it contributes, as for its clear perception, and that from the standpoint of a convinced Catholic, of the evils of the temporal power. Barclay saw without difficulty that if the Roman cause were upheld, the result would practically make the ecclesiastical world an *imperium in imperio*. The supposed papal control over kings, in any save the spiritual sense of prayer for the sinner, he stoutly denies from lack of scriptural authority. That, of course, upon which Barclay pinned his faith was the complete division of secular and religious worlds—a point of view which, logically worked out, would have cut at the root of James' own position. Bellarmine's answer to Barclay reasserts the logical necessity of unity and so discovers the apex of world-power in Rome. But restatement is not response; and though Bellarmine may have satisfied his own intelligence, he did not quiet the fears of the Catholic conscience in England. For, after all, not only had they an imperative desire for peace, not only were they, as 1588 had shown, most fiercely conscious of their nationality, but the picture of a church, as Barclay drew it, deriving its strength from the unearthly splendor of the spirit, could not but make an eager appeal where political necessity added thereto an attractiveness which spelt domestic comfort.

With the opening of the Thirty Years' War, the struggle was transferred from the arena of the mind; and material and economic exhaustion drove both parties to a compromise which it is doubtful if they would otherwise have made. The inevitable result was the slow development of the secular state. Uniformity proved to be too costly an ideal, and doctrines of right gave place to doctrines of expediency. It is not at all clear, as Dr. Figgis has insisted, that the result is unalloyed gain, yet the vindication of the right to be wrong which is implied in this evolution is perhaps not less valuable than what has been lost. What was involved was, of course, the necessity of toleration. Men do not urge either that Transubstantiation or the Thirty-Nine Articles are not doctrines for which it would be worth while to die; but they are driven by experience to the admission that this is a question upon which difference of opinion is not merely possible but also possible without penalty. Sooner or later, that toleration makes the state neutral

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and thence passes logically into indifference. The passion for uniformity breeds persecution; persecution, so far from destroying, seems almost to provoke diversity of outlook; diversity of outlook is in turn the parent of knowledge. The controversy which the acts and writings of James produced is, in fact, the necessary prelude to modern freedom.

V

It is also more. It was fought upon an issue that is far from dead. The experience it engendered forced men to admit that it is a mistake to propagate religious creeds by force. Westphalia meant that the Roman Church would never again exert decisive political influence. But the passion for unity did not die; rather was it transferred to the sphere of the secular state. The churches have had to struggle against the control of the state in a fashion hardly different from that in which the states of the Middle Ages fought against the dominion of Rome; nor can they as yet be said to have succeeded. The Oxford Movement, the rise of the Free Church in Scotland, the Vatican controversy of 1874, the *Kulturkampf*, are all of them protests of a church which refuses, like the Reformation Church, to regard itself as the creature of an alien body. Nor has the state hesitated to use in its turn the doctrine of the indirect power. The famous Free Church of Scotland case is nothing so much as the assertion by the state that where property is dependent upon dogma, the secular courts will constitute themselves the judges of its disposition and that without regard to the basic tenets of the association involved. The state, in fact, constitutes itself the ultimate reserve power in a manner at no point dissimilar from that of Rome three centuries ago; and it may yet again become true, as it was true in the seventeenth century, that the protests of organized religion will break down the fabric of the sovereign state. Certainly the problem of voluntary associations in their connection with the political organ is the most urgent that confronts us.

Nor is this all. Such external relationships present a problem about which, in the perspective of recent political theory, there is no special reason to despair. But the internal relations of the state present questions for inquiry that suggest a singular resemblance to those of the Stuart time. We are no longer, at least in theory, dependent for our political decisions upon the will of a single man, even though the number upon whom resolution seems to rest is, in an ultimate analysis, curiously small. But while it has proved reasonably easy, at least since 1829, to maintain religious toleration, political toleration we have not

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yet secured. "There are in our day", wrote Lord Acton in 1877, "many educated men who think it right to persecute." The national state, at least, has thought itself emancipated from the need to tolerate dissent; and we penalize heterodox opinion in politics hardly less cheerfully than heresy was penalized in the Middle Ages. In affairs of state, in fact, we do not as yet admit that the duty of the individual is to contribute his best personality to the common good. Rather do we insist by government enactment that personality shall flow along certain preconceived channels. Yet that is in truth to destroy the uniqueness in which the essence of personality consists. It is to pursue exactly that mirage of uniformity against which the liberal thinkers of the Counter-Reformation were struggling. No state can be free, which penalizes thought. To make political authority commensurate with the bounds of mind, is to misread the history of a thousand years. For if liberty is not the protection of an initiative which, as Mr. Graham Wallas has pointed out, must be continuous if it is to be vital, it is not worth the cost of attainment. Yet this is an historical truth we have still to learn.

It is herein that work such as that of Professor McIlwain possesses its especial import. No man can realize the bearing of what Bellarmine and Widdrington, Andrewes and Du Perron were trying to teach, without a more exact understanding of the problems of our time. Politics are not merely vulgar, in Seeley's admirable phrase, unless they are liberalized by history; they are, in fact, in large part unintelligible. For there is a real sense in which the problems of politics are perennial, and if the answer of each generation is different, it yet deposits a tradition which determines the environment of our next response. Nothing is today more greatly needed than clarity upon ancient notions. Sovereignty, liberty, authority, personality—these are the words of which we want alike the history and the definition; or rather, we want the history because its substance is in fact the definition. No period has so illuminated these questions as the Counter-Reformation. It is in some sort the birthplace of the modern state. The history of its ideas is in a special way the history of our social origins; and we bear upon the external aspect of our political life the scars of the special experience encountered in that epoch. That is why an analysis of its fundamental ideas is little less than a public service.

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HENRY ADAMS ON THINGS IN GENERAL[1]

AS the work of a literary craftsman, *The Education of Henry Adams* needs no special consideration here. Its attractiveness in this respect has already received and will long continue to receive the fullest recognition. Fastidious criticism may deny the perfection of the artistry in some points of detail—may question the fidelity of the craftsman to his chosen theme and may doubt the aesthetic purity of the device by which the profoundest problems of humanity's history and philosophy are presented and discussed in the guise of an individual's education. But the work as a whole will never fail to command the homage due to genius.

As autobiography, the volume is of more importance here. The private life of Henry Adams made, indeed, no contribution to the substance of either history or politics, and public life he had none. Yet his book reveals clearly enough that he was a true Adams, and it is a monument to that family in the fourth generation hardly less significant and noteworthy than those reared in public life by the three earlier generations. Why the fourth generation with all its undoubted talent and opportunity did not attain political distinction like the other three, is a question to which Henry Adams, as well as his elder brother, Charles Francis, devoted speculative attention. Both ascribe an important part in the result to defects in their education. Charles Francis in his *Autobiography* manifests some resentment toward his father for not making the son a better "mixer" and for failing to expel from his character by main force the shyness and self-consciousness that were his undoing. Henry takes upon himself full personal responsibility for his own shortcomings, but with gentle humor points out the repeated instances in which the impersonal forces of history have interposed impassable barriers between him and various forms of usefulness.

That the formal educational advantages of Harvard and a German university were worse than useless in the case of Henry Adams, his own conviction is strong—much stronger probably than will be that of most of those who read his demonstration of it. In 1861, he accompanied his father on a diplomatic mission to Europe, as that father had accompanied the grandfather, and the grandfather had accompanied

[1] The Education of Henry Adams. An Autobiography. Boston, Houghton, Mifflin and Company, 1918.—519 pp.

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the great-grandfather. As private secretary to the American minister to Great Britain during the Civil War, Henry Adams had the chance to pursue, as the sole student, a perfect educational course in politics and diplomacy.

> The most costly tutors in the world were provided for him at public expense—Lord Palmerston, Lord Russell, Lord Westbury, Lord Selborne, Mr. Gladstone, Lord Granville, and their associates, paid by the British government; William H. Seward, Charles Francis Adams, William Maxwell Evarts, Thurlow Weed, and other considerable professors employed by the American government. . . .

Yet the most important lessons that he supposed he had learned in this imposing course were found forty years afterward to have been a mass of distortion and error. No wonder his retrospect of his life conveys a general impression of failure.

At the end of this period of education in England Henry Adams published a magazine study of Pocahontas and Captain John Smith. This was preceded by a year or two of dawdling along in the conventional life of the best English society, to which the triumph of the North in the Civil War had insured the unrestricted admission of the Adamses. Thus, as he sums up the situation,

> Henry Adams found himself, at twenty-eight, still in English society, dragged on one side into English dilettantism, which of all dilettantism he held the most futile; and, on the other, into American antiquarianism, which of all antiquarianism he held the most foolish. This was the result of five years in London. Even then he knew he had made a false start. He had wholly lost his way. If he were ever to amount to anything, he must begin a new education, in a new place, with a new purpose [page 222].

But an unkind fate still pursued him. He sought solace in the fashionable Darwinism of the day and, expecting to reach "some great generalization which would finish one's clamor to be educated", looked into natural selection, natural evolution and natural uniformity. "Unbroken Evolution under uniform conditions pleased every one—except curates and bishops; it was the very best substitute for religion; a safe, conservative, practical, thoroughly Common-Law deity" (page 225). Unhappily some thoughtless person introduced Adams to the *Terebratula* and the *Pteraspis*, and in an instant, for reasons that are obvious to every reader, the hope of a well-fitting, hand-me-down suit of education of Darwinian make disappeared forever.

Returning to America, Adams selected the press for a career and

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Washington for his residence. The inauguration of Grant was at hand, and Adams, with a group of talented young newspaper men, was engrossed with the purpose to support the new President in the attack which they were convinced he would have to make on the overgrown and repulsive power of the Senate.

With this thought in his mind he [Adams] went to the Capitol to hear the names announced which should reveal the carefully guarded secret of Grant's Cabinet. To the end of his life, he wondered at the suddenness of the revolution which actually, within five minutes, changed his intended future into an absurdity so laughable as to make him ashamed of it. . . . Grant's nominations had the singular effect of making the hearer ashamed, not so much of Grant, as of himself. He had made another total misconception of life—another inconceivable false start [page 262].

And further on Adams explains:

What worried Adams was . . . as usual, his own education. Grant fretted and irritated him, like the *Terebratula*, as a defiance of first principles. He had no right to exist. He should have been extinct for ages. . . . That, two thousand years after Alexander the Great and Julius Caesar, a man like Grant should be called—and should actually and truly be—the highest product of the most advanced evolution, made evolution ludicrous.

Education became more perplexing at every phase. No theory was worth the pen that wrote it. America had no use for Adams because he was eighteenth-century, and yet it worshipped Grant because he was archaic and should have lived in a cave and worn skins.

It is clear that the search for an education was no frivolous enterprise in the case of such a character as Adams. With all its charm and whimsy, however, it cannot hold the interest of an ordinary mortal indefinitely, and the reader is not unduly grieved to learn that in 1871 the education of Henry Adams ended and all that was left for him was living his life. The occasion for this sudden transformation was a chance meeting with Clarence King in the wilds of the Uintah Mountains. In King, Adams saw all that he himself had wished and struggled to be; and in the exchange of philosophies with King, Adams realized that to be like King was denied to Adams, as indeed to everybody else, from the beginning of time. So Henry Adams settled down to be an editor and a professor of history. He tells how catastrophe and failure continued to overwhelm him and how Clarence King continued in his career of brilliant and multifarious success. The reader notes, however, that King died before his time, "alone and uncared

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for, in a California tavern", leaving little impression upon any save a small circle of intimates, while the other of the two friends did not die till he had given to all men of taste and culture *Mont St. Michel and Chartres* and *The Education of Henry Adams*.

The editorial and professorial stage of Adams's career lasted only a few years and was followed by some four decades of what he represents to have been intellectual futility and drift. In reality they were the period of full fruition for his peculiar powers. His residence in Washington and his intimacy with John Hay are responsible for judgments on the politics and politicians of the time that, like his judgments on English and American leaders of earlier decades, are always interesting, if often unconvincing. Of the older set Earl Russell and Gladstone of the English and Grant and Boutwell of the Americans, are treated with unusual severity, while Charles Sumner comes out of the ordeal with a character that, however unlovely, is by far the best he has ever been credited with by an Adams. Of the younger set of public men Don Cameron receives the tribute that will cause the most surprise to students of history. One will inevitably recall the rage of the madman of Roanoke over the alliance of John Quincy Adams and Henry Clay three quarters of a century earlier—"the combination, unheard of till then, of the Puritan with the blackleg." As Henry Adams says: "Never in the range of human possibilities had a Cameron believed in an Adams—or an Adams in a Cameron—but they had curiously enough almost always worked together." The occasion for the particular union of forces in question in 1893 was the desire of Henry Adams and Don Cameron to settle the then critical question of the currency by the adoption of the silver standard. Their policy failed of approval by the government, but the failure left no bitterness in the philosopher, and the chapter in which he describes the episode is characteristically whimsical, involving an account of the panic of 1893, the Chicago Exposition and a wide range of reflections on Venice, Corinth, Ara Coeli and the reactions of a historian's mind to a newly discovered mechanical sequence.

To John Hay and his diplomatic achievements the tribute of Henry Adams is as generous as the familiar story of their intimacy would foretell. Only a shade of the feeling is revealed that, as Adams repeatedly reflects, "a friend in power is a friend lost." When Lamar, whom Adams loved and greatly admired, became Secretary of the Interior, he said: "Of course Mr. Adams knows that anything in my power is at his service." This Adams regarded as a formula for closing the subject; for though he was always willing to serve, it was impossible

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for him to seek. Hay seems never to have gone so far as Lamar; and they were obviously right; for they knew what Adams knew, that he had no fitness for public, especially diplomatic, service and that the only reason why he craved the offer of it was a more or less subconscious feeling that the family tradition required it.

It is probably the speculations of the author on history that constitute the most substantial manifestation of his genius in *The Education of Henry Adams*. The manner of presentation is unsystematic and crotchety, like all the rest of his matter. For he is an Adams, which means that he is eccentric; and one of his most delightful chapters is entitled "Eccentricity", wherein we find a philosophical survey of the field obviously from the inside. But the reader who seeks suggestions about history from a master historian will be richly rewarded for a leisurely ramble through the volume. He will find a variety of ideas about the teaching of the subject, and he will find a broad philosophy of history that must hold the attention, if not win the approval, of every intelligent student.

Adams's reflections upon the place and influence of the study of history in the education of generous youth will be hard reading to many serious-minded persons. To some, indeed, the suggestion would appear prudent that the reading of certain passages in this volume should be prohibited to all history-teachers and history-students under (say) fifty years of age. For example:

> A teacher must either teach history as a catalogue, a record, a romance, or as an evolution; and whether he affirms or denies evolution, he falls into all the burning faggots of the pit. He makes of his scholars either priests or atheists, plutocrats or socialists, judges or anarchists, almost in spite of himself. In essence incoherent and immoral, history had either to be taught as such—or falsified [page 300].

And again:

> Historians undertake to arrange sequences,—called stories, or histories—assuming in silence a relation of cause and effect. These assumptions, hidden in the depths of dusty libraries, have been astounding, but commonly unconscious and childlike; so much so, that if any captious critic were to bring them to light, historians would probably reply, with one voice, that they had never supposed themselves required to know what they were talking about [page 382].

Finally:

> The historian must not try to know what is truth, if he values his honesty; for, if he cares for his truths, he is certain to falsify his facts [page 457].

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Such sayings from a man whose name stands high on the roll of American historians are likely to dampen the ardor of enthusiastic young devotees of research, confident of discovering the realities of the past. There will be uncertainty as to whether Adams is sincere or ironical in these passages. In fact he is both. For he is writing as one who has a philosophy of history, and to such a one paradox and the synthesis of contradictories is the very breath of life.

Adams's dynamic theory of history permeates his whole volume and makes its nearest approach to definite formulation in various parts of the last ten chapters. No attempt to give an adequate idea of it can be made here, but certain features may be indicated. Conspicuous is the catastrophic conception of the historical process. Like his distinguished brothers, Brooks and Charles Francis, Henry Adams delights in naming the dates at which the career of humanity has been completely, if often unconsciously, deflected from its course. His favorites for the Christian era are the following: 310, when Constantine came to power in the Roman Empire and proceeded to make a merger of all possible supernatural powers by "admitting Christianity into the Trust of State Religions"; 1500, the era of Christopher Columbus; 1600, when Copernicus and Galileo "broke many professorial necks"; and finally 1900, the chronological center of astounding events—the discovery of the Roentgen Rays and of radium and the diplomatic action of John Hay, who "put Europe aside and set the Washington government at the head of civilization."

That the last item in the marks of distinction for 1900 has today the effect of an anti-climax, Adams would doubtless be the first to admit. It was a product of the heart rather than the head of the historian. Yet his sense of the far-reaching importance of 1900 was very strong. It was the date at which "history broke in halves." By the earlier catastrophies the motion of thought had changed only in speed or direction; "in 1900 the continuity snapped." Radium, discovered in 1898, was the chief factor in the revolution, and the reflections of Adams indicate a certain veiled joy over the perturbation among the physicists caused by the disconcerting qualities of the new element. His own personal reaction to the science of 1900 he represents as wholly catastrophic. Electricity, as exhibited in the Gallery of Machines in the Great Exposition of 1900, dislocated all his preconceptions and left "his historical neck broken by the sudden irruption of forces totally new." In his chapter entitled "The Dynamo and the Virgin", the reader may find a particularly good example of the whimsical charm of his reasoning and his fancy.

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The central feature of his theory of history is man, a creature endowed with mind, floating aimlessly about in a "supersensual chaos." Man becomes aware from time to time of the power and direction of forces operating to control him, and the forces that make up his being react against this control. The task of the historian is merely to record the varying phases of the struggle. What Adams particularly emphasizes is that in the twentieth-century, science, art and philosophy all agree that the supersensual is multiplicity, diversity, complexity, anarchy, chaos; whereas the assumption of centuries before had been that beyond the human ken lay unity, continuity, purpose, order, law, truth, God. "To Thomas Aquinas, the universe was still a person; to Spinoza, a substance; to Kant, Truth was the essence of the "I", an innate conviction, a categorical imperative; to Poincaré, it was a convenience; and to Karl Pearson, a medium of exchange" (page 456). To Henry Adams there was no Universe at all, but a Multiverse—and all because "in 1898 Mme. Curie threw on his desk the metaphysical bomb she called radium".

The probable consequences of Mme. Curie's epochal act are employed by Adams to set before his readers grounds that might put them in a miserable state of apprehension. Man's social and intellectual readjustment to a new force injected into his consciousness from the chaos without has been always a painful and usually a slow process. The rapidity of the adjustment is in a certain ratio to the strength of the new force, as Adams gravely demonstrates by mathematical formulas. In like ratio is the demand upon the power and adaptability of the human mind. But in all history there has been no force made known to man at all comparable to that of radium. Hence, Adams foresees for the twentieth century a speeding-up of the adjusting process on so prodigious a scale as to threaten a dissipation of the human mind, like the comet that strikes the earth.

Thus, the catalogue of catastrophies in history culminates in 1900. Adams's treatment of the series is entertaining and suggestive, but the prediction at the end need give no alarm. To the preoccupied dreamer by the wayside the sudden cut-out of the muffler of a quietly approaching automobile gives a shock as of a great disaster, but his startled gaze rests on a car moving steadily and again quietly along, with perhaps the suggestion of a smile on the face of the chauffeur. It was much the same when the Spirit that rules over supersensual chaos passed the years that Henry Adams found catastrophic.

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REVIEWS

The Development of the United States from Colonies to a World Power. By MAX FARRAND. Boston, Houghton, Mifflin Company, 1918.—xi, 354 pp.

The day has long passed when anxious elders cautioned the young European about to essay his fortunes in the new world not to go unarmed against the redskins who might attack him on the road from Philadelphia to Baltimore, or when a London clubman could clinch his argument for the Southern cause by placing a triumphant index-finger on the Isthmus of Panama in the atlas and asking with withering emphasis whether it was either wise or just to attempt to hold together lands which God had so manifestly designed to separate. The closer acquaintance between Europe and ourselves, begun a score of years ago, has been hurried into an intimacy by the events of the Great War. And as our fortunes have thus rapidly grown together, there has been an increasing desire both on Europe's part to obtain and on our part to furnish still more accurate knowledge of our political and social institutions and of the spirit of our democracy which has produced and preserved them.

A conspicuous result of this new curiosity on the part of the old world about the new is Professor Farrand's book on the development of our country from the earliest colonial days down to the Great War. The work is well done. The very achievement of condensing into a single volume of far fewer than a hundred thousand words the history of three centuries, without slighting any of the factors that were really vital in the evolution of our democracy and without giving the reader the impression of sketchiness or provisionalism in the text, is itself a task which only those who have undertaken it can appreciate. Professor Farrand is to be congratulated on the skill shown in the selection, the arrangement and the vivid presentation of his material.

The book is dedicated "To the Allies, in the Hope of a Better Understanding." But as it is written in English, and as England is the only one of the Allies with whom we have had chronic misunderstandings, it is virtually a contribution to the still closer *entente* between us and our kin across the sea. The treatment, therefore, of the relations between England and America attracts our special attention.

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In the second chapter, entitled "Independence", the causes and outcome of the Revolution are treated in nineteen pages. It is a relief in reading these pages, whatever criticisms we have to make in detail, to find that Professor Farrand does not, like some of his fellow American historians, treat the war for independence as a piece of folly stirred up against a just king and parliament by a few scatter-brained zealots in the colonies. He brings out clearly the causes of misunderstanding on both sides of the ocean but rightly attributes the greater responsibility "to the home Government" (page 39) and declares that "if the colonists had reached a stage in their development where they seemed to require a greater freedom of trade [and he might have added, of judicial and fiscal autonomy] than the British were willing to grant, they were justified in asserting their independence" (page 38). The author, we think, should have put more emphasis in this chapter on the habit of self-government which the colonists had formed through the generations of "salutary neglect" and less on the arguments they advanced. For he rightly intimates that the arguments were more in the nature of apologetics than of premises.

There are statements in this chapter which are misleading and a few that are even false. The stamp tax was not laid in 1765 "in spite of the protests and petitions of the colonists" (page 35)—that is, of any appreciable protest and petition. These came *after* the act, to the great surprise of the British Parliament and public. In mentioning the dispatch of the tea ships to the colonies, Professor Farrand says: "The colonists took this as an effort to bribe them into paying the tax" (page 41), as if there were any other motive entertained by the king. The author continues: "In practically all the colonies the cargoes of tea were kept from sale, by force of public opinion if possible, by threats if necessary, and sometimes by violence" (page 41). The layman (for whom the book is intended) would certainly be justified in supposing from this sentence that the tea was landed quite generally in the colonies, and that the attempts to sell it met with a variety of fortune, whereas tea was actually landed in only the one port of Charleston. A little further on the author says that the Continental Congress adopted the resolution of independence and that "this later was elaborated into the formal Declaration of Independence." The resolution was voted July 2, 1776 and the Declaration, which was adopted two days later, had already been "elaborated". Questions of judgment are not, of course, amenable to the same tribunal of criticism as questions of fact; but when Professor Farrand declares that George Washington "cannot be regarded as a great general" (page 45) he is

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countering the judgment of many distinguished military critics as well as of Washington's opponent in the famous Jersey campaign; and when he says that the Declaration of Independence was felicitous in that "its practical charges [against the king] appealed to the New Englanders and its theories appealed to the Virginia planters", he seems to us to be sacrificing strict regard for fact to a rhetorical antithesis. In discussing the peace settlement of 1783, Professor Farrand says, "Spain wanted the region between the Alleghanies and the Mississippi River, so as to control the entire Mississippi Valley" (page 49). It is possible, of course, that Spain did "want" all this region, for her desires at the close of the eighteenth century would be hard to limit; but so far as her actual expectations are concerned, they seem to have been limited to a control of the region south of the Ohio River. Finally, the bibliographical note at the end of the chapter might well contain a reference to some work, like that of Belcher or Sydney G. Fisher, that supports the Tory argument. We have dwelt at some length on this chapter (as a kind of test chapter in a book destined chiefly for English readers), not to be captious or unreasonable, but rather to show how very difficult it is, even with the aid of scholarship and toil, to convey uniformly correct impressions in condensed narrative.

The points in Professor Farrand's exposition on which we should dwell with special commendation, if space permitted, are the emphasis which he places upon the influence of the frontier and the western land policy on our development as a democracy, the clear account of the colonial trade laws, the recognition of the epochal significance of the War of 1812, the comparison (pages 83 *et seq.*) of the situation of our maritime commerce in 1793 and 1914, the excellent summary (chapters xiv, xv) of the relation of our business interests to politics in the period from the close of the Civil War to the end of the nineteenth century. Strangely enough, those pages which we should expect, from the author's special qualification and training, to be best done, namely, those on the federal Constitution, are among the most disappointing in the book. He says (page 71) that "the most difficult problem which the convention had to solve was connected with the executive". The most "perplexing", we should say, but not so "difficult" as the matter of the great compromise. He says, on the next page, that the members of the electoral college were to be "chosen by the legislature of each state"; but the Constitution reads (article ii, section 1, paragraph 2): "Each state shall appoint, in such manner as the legislature thereof may direct, a number of elect-

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ors. . . ." If the electoral college "came indirectly from the Papal College" (page 72), Professor Farrand might have traced the more immediate descent from the electoral practice in Maryland. The Federal judiciary, according to Professor Farrand, was given jurisdiction "in cases affecting foreigners" (page 73); "aliens" would have been a better word. The language of the Constitution (article iii, section 2, paragraph 1) is "foreign states, citizens or subjects". A foreign "citizen or subject" is not exactly equivalent to a "foreigner". And in a book written for foreign citizens and subjects, language on these points should be especially clear. In describing the process of initiating an amendment to the federal Constitution, Professor Farrand says: "by a two-thirds vote of Congress, or by a special convention" (page 73). In these days when amendments on two subjects are pending, he might have added the few words, "called on the application of the legislatures of two-thirds of the States", and he might also have said that all the amendments have actually been initiated by the vote in Congress. Considering the recent interest roused by the question of the economic influences at work in determining the nature of the Constitution, echoes of which must have reached many educated Europeans, Professor Farrand might well have given more than a half-page (page 75) to the doctrine of the "Beard School". Mention should have been made, too, in the bibliographical note, of Hannis Taylor's book on the Constitution.

There are times when Professor Farrand sacrifices space by introducing vague and meaningless locutions, like "owing to peculiar conditions in America", or "by a curious combination of circumstances". There are times, also, when he is so allusive as to require for the understanding of his sentences a knowledge of American history which would render the perusal of his book supererogatory (pages 242, 243, 264). The inevitable slips in dates have crept into the book, as well as some slight errors of fact. To note a few only: War broke out in Europe in 1792, not 1793 (page 81); Thomas Jefferson became Vice President in 1797, not because "the Democratic Republicans were sufficiently strong to obtain the second largest vote" (page 96), but because the Adams Federalists knifed Pinckney; Spain gave Louisiana back to France by the treaty of 1800, not 1802 (page 101); the French and British retaliatory policy from 1806 onward did not mean "the annihilation of [America's] carrying trade" (page 107), as the statistics in Pitkin show, and as the author himself proves on a later page (page 112); Webster did not "attack" Hayne in 1830, but replied to the attack which Hayne had made on the eastern states (page

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168); the Ordinance of Nullification declared both the tariff of 1828 and that of 1832 void (page 169); it has been shown by Garrison in his *Westward Extension* that it is not certain whether Clay lost more votes than he gained by his hedging on the Texas question (page 198); five other states (not six) joined South Carolina "before the end of January, 1861 (page 223); Grant was not elected because "Johnson was so thoroughly discredited" (page 239); the Republican Party originated as a protest against the extension of slavery, not as "a revolt against the complaisance of the established order" (page 283).

Professor Farrand has, as we have said, accomplished with success the difficult task of condensing our history for three centuries into a convenient and interesting volume for the educated lay reader at home and abroad. But there is no shadow of justification in his book for the extravagant claims set forth in the announcement of the publishers on the paper cover. "A new interpretation of American history", "an entirely new conception of our development", which "vitalizes our history as it has seldom been vitalized before;" "an entire revaluation of American history that will be talked of for years to come"—these are some of the fulsome phrases which, however they may make the vendor rejoice, cannot but make the judicious reader and the honest author grieve. There is nothing in Professor Farrand's volume that is not familiar to the student of American history, nothing that is not to be found in our newer historical sets, like *The American Nation* and *The Riverside American History*, nothing that is particularly new in interpretation or conception or vitalization or valuation. It is ridiculous to take peacock feathers to deck out a perfectly good turkey. But this meretricious screed on the cover is, of course, no fault of the book or of the author.

DAVID S. MUZZEY.

The Diplomatic Background of the War, 1870–1914. By CHARLES SEYMOUR. New Haven, Yale University Press, 1916.—xv, 311 pp.

Since 1914, many writers have undertaken to describe the more recent historical movements that culminated in the German War. Of the books written for this purpose, Professor Seymour's is, for the general reader, one of the best planned and best balanced. Only forty-eight pages are devoted to the Bismarckian period and only forty-three to the critical five weeks from the Serajevo murder to the outbreak of the war. The bulk of the volume deals with the period from 1890 to

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1914, and the reader's attention is concentrated on the formation of the Franco-Russian Alliance, the change in British policy that expanded that alliance into the Triple Entente and the diplomatic conflicts between the Entente and the Triple Alliance in Moroccan and Balkan affairs.

The book is marred by minor inaccuracies, probably attributable to hasty composition; and some of the author's judgments will undoubtedly excite dissent. That the methods employed by Bismarck in unifying Germany produced indirect evil results, largely offsetting, for Germany itself, the direct advantages of unity, will hardly be disputed in the long run even by Germans. Monarchic authority was greatly strengthened; the old German liberalism died out, and nothing was developed to take its place save socialism. Militaristic views and tendencies were reinforced in Prussia and spread over all Germany. The triumph of armed force and the ease with which it triumphed, corrupted the German conscience and fostered a dangerous arrogance.

Some of these results, notably the strengthening of monarchic authority, Bismarck himself desired. Others he tried to avert. In his later speeches and writings he constantly, although vainly, warned his countrymen against "travelling the Napoleonic road". That he wished no more wars, at least in his own time, Professor Seymour fully recognizes (see especially page 166). Bismarck's desire for the maintenance of peace did not exclude—on the contrary, it seemed to him to require—more or less drastic warnings to neighboring countries that Germany would not tolerate an aggressive anti-German policy. That this was the only object of the "war scare" of 1875, so far as Bismarck was concerned in it, is, I think, a correct judgment (page 23).

Hardly tenable, however, is the author's opinion that the Schnaebele incident, in 1887, was another attempt by Bismarck to intimidate France. It is highly improbable, at least, that the German chancellor should have arranged that a French official should be invited to meet German officials for consultation and should then be arrested for an alleged violation of German law. Bismarck, in fact, secured Schnaebele's release within eight days on the ground that the invitation carried an implied safe-conduct. Later in the same year he settled another frontier complication (the Brignon incident) with the same promptness and again with a virtual recognition that German officials had acted unwarrantably. Both incidents, as he handled them, were adapted rather to reassure than to intimidate the French people.

Attempted "intimidation", not only of France and of Russia but of Europe in general, is found by the author in Bismarck's speech of

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February 6, 1888 (pages 47, 48). By selecting a few passages from this speech, it is easy to make it seem belligerent, even truculent; but any one who will take the trouble to read it through will find that its general trend and tone are highly pacific. Certain passages seem directed against German chauvinists rather than against foreign countries, notably the energetic repudiation of the military theory that Germany would be justified, if menaced by a simultaneous attack on the part of France and Russia, in starting an "anticipatory" or "preventive" war. It should be noted also (as indicated in a passage which the author cites) that in protesting against Russian threats, Bismarck spoke only of anti-German utterances in the Russian press. He was careful to say that he had complete confidence in the friendly disposition of the Russian government. Of course, the warning was really addressed to the Russian government, but the form adopted savored rather of finesse than of "brutality" (page 50).

In the earlier chapters of the book there are other inaccuracies. On pages 4 and 5, the author refers to "the hundred or more kingdoms, principalities, duchies and cities which were loosely bound together in the German Federation." There was, of course, no German union called a "federation" before 1815, and the federation created at that time included less than forty states and free cities.

Inexact, at least, is the statement that in 1870, Russia "violated" the Treaty of Paris. Gortshakof, indeed, announced that Russia deemed itself no longer bound by the provisions of that treaty regarding the Black Sea and the Dardanelles; but he declared that his government wished to come to an understanding on this point with the other signatory powers. At a conference held in London, the powers agreed to relieve Russia from its obligations in this matter. The author says nothing about the London Conference and leaves the reader with the impression that the treaty was "abrogated" simply by German recognition and support of the Russian claim (pages 10, 16).

In speaking of the action of the Congress of Berlin in authorizing Austria-Hungary to occupy and administer Bosnia and Herzegovina (pages 28, 177), the author fails to mention that before the Russo-Turkish war Russia had agreed to such occupation as the price of Austrian neutrality. And in considering the formal annexation of these provinces by Austria in 1908 (pages 178 *et seq.*), would it not be fair to note that in the bad old days before this last war "occupation and administration" of Turkish territories was frequently, if not usually, regarded as a euphemism for annexation? In any case, territories so occupied passed quietly into the permanent control of other Euro-

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pean states. And is not this one of the reasons why the Entente powers did not press the issue raised by Austria's action in 1908?

Few students of European history from 1890 to 1914 will be likely to share the author's estimate of William II's conduct of Germany's foreign relations. Professor Seymour finds the imperial diplomacy marked by "brilliance" and "by a subtlety, a diplomatic cleverness worthy of the founder of the Empire" (pages 55, 56). These qualities are not conspicuously revealed in the "Willy-Nicky" correspondence, nor in the interview published in the London *Telegraph* in 1908. Undoubtedly, Germany continued to be the leading power in Europe for more than a decade after William II became his own chancellor; but this position was assured by the military strength of the Empire and by the absence of any effective makeweight against the Triple Alliance. These advantages William II had inherited. It seems largely on account of mistakes in the Emperor's policy that France and Russia were drawn more closely together and that England was led to bury its quarrels with each of these powers and to enter the anti-German combination.

In the author's account of the negotiations that immediately preceded the outbreak of war, the main points are properly emphasized. He seems, however, to overrate the degree to which Austria and Russia had succeeded in approaching a peaceable settlement. Russia and Austria declared themselves equally ready to suspend all military preparations, on condition of reciprocity, but Russia demanded, and Austria inflexibly refused, cessation of military action against Serbia.

Professor Seymour endeavors, and with success, to write impartially. He finds that Germany forced the war, but he declines to express any opinion as to the "moral justification" of its action. He doubts whether an unbiased verdict on this point can be rendered by our generation. He finds the policy pursued by Germany during the years immediately preceding the war "inevitable" (page 286). These and other utterances suggest a fatalist philosophy, a belief that national conduct is determined by forces which the human will is powerless to control. One is reminded of Tolstoi's saying that "the names of great men are labels which we affix to events". In other passages, however, the author apparently attributes to individuals a decisive influence in shaping the destinies of the world. "The appearance of Delcassé and the foresight of British statesmen", he says, "had ruined the position of Germany" (page 163).

MUNROE SMITH.

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The Life and Times of Stephen Girard. By JOHN BACH MCMASTER. Philadelphia, J. B. Lippincott Company, 1918.—Two volumes; xii, 469; iv, 481 pp.

Professor McMaster will remain one of the great permanent figures of American historiography. In his massive *History of the People*, begun before many of us were born and concluded but a year or two ago, he was the first American to realize the truth that the state is only one of many interests of the human family, that much of what may properly be considered as the general will is never put in form of law and that the laws themselves cannot be understood without a sympathetic study of the current notions which give them their validity. He has not drilled his facts to march in order toward a logical "interpretation"; he seems to see life whole, perhaps, but not to see it steadily; he may have been correctly charged with being most concerned with the illustrative, not the probative, material of history. But he has spread his canvas wide and after patient exploration with his sketch-book into unfamiliar ways, peering into corners and taking note of the day's business in church or market, field, factory or school, has strikingly enlivened and enriched the scenes he has painted. Many who have since described American life have found McMaster's panorama a tolerable substitute for nature; it is suspected, for example, that John Fiske composed his masterpiece, *The Critical Period*, only after the most faithful and profitable reading of the first volume of the *History*, which had appeared five years before.

The reader of the *Life and Times of Stephen Girard* will sigh for another Fiske to follow with his literary gifts of rational arrangement and smooth and ordered presentation. These two volumes are misnamed; the title should be *Extended Notes on the Papers of Stephen Girard*. Professor McMaster, confronted with thirty thousand manuscripts and apparently believing that they probably would never see the light of publication, seems to have resolved to print significant and interesting parts even if they had but little bearing on the *Life*. Thus, the reader finds a long and doubtless useful chapter on Amelia Island based on the reports of Girard's agents at or near that rendezvous of smugglers, pirates and adventurers; a six-page letter from a Cincinnati correspondent on Josiah Warren's "Time Store" is inserted in a chapter entitled "The Voltaire and the Montesquieu Wrecked"; likewise eight interesting pages are devoted to the July Days in Paris, because a niece of Girard and several gentlemen wrote letters on the subject. Such passages, no doubt, give the work a certain value as a

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source book, but they are distressing faults in a biography. Sometimes the author finds an episode which he rightly deems diverting, and wanting that rare quality, the courage of rejection, he writes it out in full. For example, ten pages are devoted to some correspondence with reference to a runaway slave, which, at most, throws but a ray of light upon the wealthy merchant's shrewdness and tenacity. But what strikes us as unduly digressive and diffuse, may seem to the writer, after handling thirty thousand papers, to be a model of rigorous condensation.

"I cannot conceive", says the immortal Boswell, "a more perfect mode of writing any man's life, than not only relating all the most important events in it in their order, but interweaving what he privately wrote, and said, and thought." This is the mode employed by Professor McMaster; but unlike that of Dr. Johnson, whose interest was the world, the correspondence of Girard, whose interest was his business, is not all interesting. In fact, the letters of instruction and the faithful log-like record of the sailings out and sailings back of "Les Deux Frères" and the "Good Friends", grow somewhat wearisome, and though it may be realized that it is very useful to have them available in print, the impression remains that the author has published his notes imbedded in his text. This is a book which repays attention but does not command it.

Yet here and there are items of greatest value, such as references to confusion in the currency in the days before the Constitution (volume i, pages 54, 62, 100), or to the high profits of trade in the '90's when French proclamations and English orders in council left the merchant quite uncertain as to what port would be open to receive his ships, and all instructions had to be contingent (volume i, pages 167, 235-239, 241; volume ii, page 37). The annoying restrictions on West Indian trade are well set forth (volume i, pages 51, 62). One gets an interesting sidelight on the attitude of English merchants just before our second war in a letter from the Baring Brothers: "The late occurences off your coast are as much disapproved here as in America" (volume ii, page 53). The massacres of '91 and '93 in San Domingo are vividly described by correspondents (volume i, pages 126-130, 193-196). Labor contracts like those made with tenant farmers (volume ii, pages 66-68) sound quaint to modern ears by reason of their particularity. The vicissitudes of trade in time of war are well illustrated by Girard's contention with the Swedish government over sequestered property (volume ii, chapter vii). His controversy with the state over rights of private banking makes interesting reading (volume ii, 250-269).

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Despite two volumes of narration and quotation, the figure of Stephen Girard is not so clear as the reader could desire. There is naturally some curiosity as to the great merchant and first private banker of America. Undeniably he was a grasping trader. His brother, acting as his agent, writes in 1784: "It is amusing to have you ask me how you can make some more money. You will always be the same—never content." And not long after, this agent left his brother's employment, complaining bitterly of having been overreached. Girard knew well and practiced many ways of sliding through the law (volume i, pages 52-54, 58-60, 63, 69, 70, 72, 79, 406). Yet his fortune came from unremitting application; he spoke fondly of "my love of work, the only pleasure I have on this globe." He was burdened with an insane wife—"I assure you I am very tired of the daily entertainments with which my better half provides me"—and, sadly disappointed in his hope of children, he seems a lonely and pathetic figure.

Six times during his long residence in Philadelphia the city was visited by "the plague", yellow fever, and each time Girard showed the quality of a hero, throwing aside his business to minister to his stricken fellow-citizens. With one associate he set in order the dilapidated Bush Hill Hospital and managed it effectively for many weeks, confounding Dr. Physick, Dr. Leib and others with his methods. Henceforward he found savage joy in scourging with the scorpions of his satire the whole medical fraternity of Philadelphia. He, himself, found little need for medicine, but by hard work and frugal diet lived to the age of eighty-one.

The reader will be disappointed that no more light is cast on Girard's religion. The considerations which drove him into deism do not appear. Indeed, the biographer shows but little interest in this important phase of his influence. There is no mention of the legends of the reconversion on his deathbed, the clash between the Masons and the priests upon the funeral day, the great legal battle over the will, which was claimed to be offensive to Christianity by its provision for an infidel school. Though there is some mention of philanthropies, the reader would welcome some authoritative comment on the anecdotes which enliven the pages of Simpson, Rupp and Ingham, Girard's previous biographers. In fact, many of the letters serve to stimulate curiosity rather than allay it. By the publication of this work the material available for economic history has been enlarged, but the art of biography has not been advanced.

DIXON RYAN FOX.

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Richard Cobden: The International Man. By J. A. HOBSON. New York, Henry Holt and Company, 1919.—416 pp.

This is not a *vie intime*. It dispenses with material of a personal and private character of which biographies of that type make use. Nor is it a "life and times". The name of Cobden is associated with important movements and outstanding events in the history of England, but Mr. Hobson has not undertaken to describe or interpret them; for the historical setting of Cobden's career one must still go to Lord Morley's standard *Life*. The present volume owes its existence to the author's conviction that "Cobdenism" has distorted Cobden, that the non-interventionist, the internationalist, the friend of humanity, has been swallowed up in the free-trader. Since all estimate of human motive depends upon relative emphasis, it has been possible to picture Cobden as a pushing business man, inspired by no loftier purpose than a sordid commercialism and working throughout solely in the interest of English capitalism, and also as a visionary and dangerous cosmopolitan, without grasp of the brute actualities of life. Both views, in Mr. Hobson's opinion, are erroneous. He believes that Cobden was first and foremost an internationalist, with whom free trade was incidental to internationalism and not the reverse, but that his knowledge of affairs was unusually broad and his statesmanship of a very practical cast.

Mr. Hobson's method is to let Cobden speak for himself. By far the larger part of the volume is made up of extracts from Cobden's letters and writings. Some of this material was already accessible in Lord Morley's *Life* and elsewhere, but much of it is printed here for the first time. In Cobden's correspondence with the Reverend Henry Richard, who was for many years secretary of the Peace Society and an editorial writer on the *Morning Star*, a voluminous correspondence running from 1849 to 1865, Mr. Hobson has tapped an invaluable source for Cobden's thought on international affairs, and by printing generous extracts from it he makes public a remarkably significant commentary on British foreign policy in the Palmerstonian era.

Interpreting Cobden's career as he does, Mr. Hobson is not compelled to renarrate the story of the Anti-Corn-Law League and the repeal of the corn laws in 1846. After preliminary and brief chapters on "Cobden's Preparation for Politics" and "Cobden as a Pamphleteer", he begins with the continental tour which Cobden undertook in 1846–7 in the interest of commercial liberty and international friendship. The Crimean War, the China War of 1856–1860, the

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Indian Mutiny, the commercial treaty of 1860 with France and the American Civil War are among the more important subjects upon which the volume throws light. The chapter entitled "The Civil War and the Sumner Letters" should prove of particular interest to Americans. It consists principally of letters written by Cobden to Sumner during the Civil War, the manuscripts of which are in the Library of Harvard. Most of them have already been printed in the *American Historical Review*, but they are presented here for the first time in continuous form. They show vividly the impressions made upon an exceptionally well-informed and broad-minded foreigner and a sincere friend of the American people withal, by secession, the blockade of the Confederacy, the protectionism of the Republican Party, the Trent affair, the activities of the British-built Confederate commerce distroyers, and emancipation. They constitute, furthermore, an illuminating commentary on English public opinion respecting the Civil War.

The discerning reader will not fail to note Cobden's indebtedness to various and sundry reformers who have flourished since his day! Whence but from the luminous pages of Mr. Norman Angell's *Great Illusion* could Cobden have derived such an opinion as is expressed in this sentence? "I often wish I had the leisure to do justice to the argument which is always uppermost in my mind, that the modern application of the principles of political economy has destroyed the motive of self-interest which formerly tempted us to wars of conquest" (page 89). Could a man not familiar with the urgings of Dr. David Starr Jordan against preparedness have written these words? "In fact, all this preparation and menace on the part of other countries will make it the more difficult for the French Emperor to put up with an affront from any quarter. It is easy to bear hard words from an unarmed man, but even a look may convey an intolerable insult from one who is threatening you with a loaded pistol" (page 265). Is it probable that any one not imbued with the spirit of the "Bryan treaties" would have confessed a "paramount abhorrence of war as a means of settling disputes, whether between nations or citizens of one country" (page 380)? And what is this but "peace without victory"?

Let John Bull have a great military triumph, and we shall all have to take our hats off as we pass the Horse Guards for the rest of our lives. On the other hand, let the Czar's swollen pride be gratified and inflamed with victory, it will foster that spirit of military insolence which pervades everything in Russia. But if neither could claim a decisive triumph, and both

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were thoroughly discouraged and disgusted with their sacrifices, they might all in future be equally disposed to be more peaceable [pages 108–109].

In 1859, Lord Palmerston wrote to Cobden in these words, offering him a seat in the Cabinet:

> You and your friends complain of secret diplomacy, and that wars are entered into without consulting the people, Now it is in the Cabinet alone that questions of foreign policy are settled. We never consult Parliament till *after* they are settled. If, therefore, you wish to have a voice in these questions, you can only do so in the Cabinet [page 234].

It is not recorded that Cobden had been calling, in so many words, for "open covenants of peace openly arrived at", but what he wanted is clear enough and it explains why he declined the premier's offer. He would not compromise with a system which he regarded as fundamentally evil. Many other examples of the influence of latter-day radicalism upon Cobden the discerning reader will detect for himself!

In all seriousness, Cobden perceived that war strikes its roots deep in the institutional and cultural environment of the peoples of modern Christendom and that it can not be abolished and all else left as it is. Among the more important of its causes or conditions, in his belief, were protectionism, aristocratic statesmanship and secret diplomacy, the jingo press, the cult of the military and "war psychology". He put his faith for a better future in popular internationalism, not official intergovernmentalism, for to Cobden government was tainted with tyranny and chicane. It was this attitude toward government, according to Mr. Hobson, rather than any supposed personal or class interest, that explains Cobden's domestic and foreign policies, *laissez-faire* and non-intervention. He looked to a growing commercial and cultural intercourse between peoples as the only possible basis of permanent peace. His hope that free trade would become world-wide—the great delusion of the Manchester School—was not to be realized; and even his own country, it seems, is about to restore, in some degree, that commercial policy which he held to be a prime cause of war. But Cobden, at all events, did not underrate the strength of the forces that make for war. "In all probability", he wrote to Sumner in 1849, "Europe must suffer convulsions and revolutions, of which those of last year were but the feeble skirmishings, before the present system passes away" (page 338). Nor did he make the crude error of assuming that political democracy alone would insure peace on earth.

R. L. SCHUYLER.

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What is Fair? A Study of Some Problems of Public Utility Regulation. By WILLIAM G. RAYMOND. New York, John Wiley and Sons, Inc., 1918.—xiii, 172 pp.

The author of this little book is a civil engineer of eminence and Dean of the College of Applied Science in the State University of Iowa. From his experience as an engineer he makes a contribution to our understanding of some of the more fundamental of the problems of utility regulation, problems which call for the combined wisdom of engineer, business man, lawyer and economist. Some of the phraseology suggests too much reliance on the author's "intuitive sense of fairness and justice" (preface, page viii), but most of his concrete conclusions are supported by objective rather than subjective reasoning.

The problems of utility regulation fall under two main heads: first, the proportions in which the various classes of patrons shall contribute to the company's total revenue; and secondly, the size of that total revenue. Under the first head, according to the author, "a fundamental principle would seem to be that the basis of charge must be the cost of service" (page 58). Charges for gas, water or electric power, he tells us, may be divided into four elements: (1) peak load costs, (2) consumer costs, (3) output costs and (4) fixed charges, less the part of this item included in peak load costs (page 71). The first three of these elements seem to constitute the separable or additional costs of rendering service to each customer—the costs which the company would save if that customer did not have to be served. The fourth element, on the other hand, is a cost incurred by the company on behalf of all the customers, but a cost no specific portion of which can be said to be caused by any one customer or class of customers. It would appear to the reviewer that once the first three elements are ascertained, the "fundamental principle" of the cost-of-service basis is incapable of further application. When each customer has paid as much of these three elements of cost as has been incurred in his behalf, it is impossible to determine what share of the remaining costs has been incurred for him. The apportionment of the fixed charges (other than the peak load costs) becomes a matter of policy rather than of analysis. Professor Raymond thinks that they "should probably vary with the sum of the other three costs", unless a simpler division may be rendered desirable "in the interest of simple publicity and bookkeeping." He is not under the illusion that this is a division on the cost basis, for he supports it for a different reason—namely, "on the theory that those who cause the greatest expense receive the

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greatest value and have the largest interest in the overhead of the property" (pages 71–72). But do they? The most we can say about the value received is that those who buy the most expensive service (expensive to the customers) receive the greatest (money) value; and the most expensive to the customer would not necessarily be the most expensive to the company if the joint costs were apportioned on some basis other than that suggested by the author—the very question at issue. Thus we get no light on the question of policy involved in the apportionment of the joint costs of the utilities mentioned. Perhaps the total of such costs relative to the other three classes is too insignificant to make this question of much consequence.

Though the author refers to the cost principle as "fundamental", he does not by any means reject the principle of charging what the traffic will bear. But he would apply that principle to public utilities "only when it will serve to lower the average cost of service to the public, or will develop a legitimate, natural, and desirable business that cannot be developed without some concession in rates from the average of its class." On the other hand,

> For a business so varied as railroad service in which the cost of a particular service cannot be determined, what the traffic will bear is the rational basis for a tentative rate design. If it is found to yield more than is judged to be a fair return . . . a general scaling of rates may be ordered, or certain necessaries of all people may be selected for lower rates to reduce the earnings to the proper fair return [pages 79–80].

Here again we are led to the threshold of a series of questions of general public policy which could not be treated in a book of this size concerned primarily with questions of interest to the engineer.

In treating the problems which fall under the other main head—the problems, that is, concerning the total return to which the company shall be entitled—Professor Raymond's discussion is particularly helpful. The precise basis for regulation ought to be specified in the company's charter (page 26). When regulation

> is first undertaken for an old property, the value acquired to the date of action should be allowed, and a method of regulation, automatic so far as possible in its action, should be adopted for the future. For a new company the same procedure should be had, but here the return base is the fair and reasonable sacrifice of the owner in creating the property [pages 162–163].

The value which the author would allow for the old company is the

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market value of the entire business, obtained by capitalizing the earnings. This value, he recognizes, may exceed what the courts have laid down as the minimum. Needless to say, its amount would not have to be measured; all that would be necessary in order to maintain it would be to avoid reducing the net earnings. In an expanding business, however, as the author points out, the net earnings can be maintained even when rates are reduced, for in such a business "earnings are normally increasing under present rates for service" (page 161).

Though the author would allow an old company not previously regulated to maintain its value, the "return base" for new companies is not to be confused with value; for that reason objection is quite properly made to the use of the term "fair value" by the courts (page 147). Upon this return base

> there must be a minimum rate for lean years and a maximum rate for fat years, any return between the two being considered fair; any return below the minimum being too low and calling for a larger return later or an addition to capital, and any return above the maximum being unreasonably large and one that calls for some adjustment or crediting of the surplus to the public [page 167].

This suggestion for the systematic addition of deficits to the return base and for the systematic deduction of surpluses therefrom is of vital import for the successful working of automatic regulation.

Having determined the return base, the rate of return to be allowed on it is called by the author "the wage of the money". In addition to this return he would allow a "wage for service" (page 38). The latter may, "for lack of a better unit of measurement", be measured "as a percentage of the invested capital. It would seem to be much better to measure the profit as a percentage of the business done, if some good way could be found to discourage the high cost of service . . . and to put a premium on low cost of service" (pages 38–39). On page 117 he gives a formula which would result in "a profit rate for service that grows less as the business (cost) is larger, though the gross money profit grows with the growth of business." A value may result which exceeds the cost (or the "return base"); and it is to this excess of value over cost that the author seems to refer when he speaks of a remainder which "is called, by some people, water, and by others, speculative value, and by others, promotion cost, and by economists, surplus" (page 36). A suggestion is made for differentiating in the security issues between this surplus and the cost incurred (page 37).

The reviewer would venture one criticism on the allowance of this

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"wage for service". The object of the allowance is solely to furnish an incentive to the management to be on the alert to improve the service or to lower the costs to the public. The management is already being paid, presumably, for its routine work, in the form of salaries. On Professor Raymond's plan, it is true that unusual alertness would increase the return on the stock; but it is equally true that under some circumstances this extra "wage for service" might result even with routine or inefficient management; the monopoly power might well be so great that even the poorest management could earn more than the normal "wage of the money" if permitted by the regulating power to do so. To avoid compelling the public to pay a surplus for anything except unusual efficiency, it would seem better to determine the "wage for service" not by a general formula applicable to all utilities, but by a separate consideration of each plant, subject to periodical revision. Some rough earmark of normal efficiency could be agreed upon, perhaps a given rate of charge for the service; and a surplus return could be allowed only when accompanied by previously determined improvements upon this "normal" efficiency. Such was roughly the plan agreed upon in the case of the gas company in Boston, where, by a sliding scale, dividend rates higher than "standard" are permitted only when the price of gas falls below the "standard" price.

ROBERT L. HALE.

COLUMBIA UNIVERSITY.

American Problems of Reconstruction: A National Symposium. Edited by ELISHA M. FRIEDMAN. New York, E. P. Dutton and Company, 1918.—xxvi, 471 pp.

One reads a book like this with profound regret that the penny pamphlet is not in vogue in America. In England all of the more pretentious articles included in this symposium would have been available for popular distribution at a nominal charge, available as individual studies and not lumped into a bulky, expensive and, therefore, little-read tome. The regret is the greater, because in a nation of economic illiterates the kind of simple, painstaking exposition which we get in the articles by Senator Owen, Henry E. Cooper, Professor Fisher and Professor Seligman is invaluable. Their statements should be on editors' desks; they should be written about, explained and discussed. How else can we get from an electorate, blissfully ignorant of triangulation, fluctuations in the value of the pound and the urgent need for popularizing acceptances, any supporting judgment for a national fiscal policy which has the public interest at heart?

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The papers on finance are by far the most scholarly, consistent and informative in this volume. This is attributable, no doubt, to the editor's special interest in the field. By the same token, the reviewer finds his own field—the labor problem—peculiarly slighted. Not that Mr. Wehle's contribution is slight. It is substantial and valuable. But to give less than twenty-five out of four hundred and fifty pages to the problem of industrial relations shows a serious lack of perspective concerning the issues of American reconstruction. Mr. Gilbreth's article might, I admit, be included in the "labor" category, but Mr. Gilbreth is threshing over old straw and his discussion adds little to the subject that his books had not said before reconstruction was thought of.

A more fundamental criticism is that, in common with most compilations, the book does not exhibit any inner unity. And while this is not expected, it is still an indispensable part of a real contribution to reconstruction literature. What we need most in popular discussion of economic theories and phenomena is to show plain people *how it all hangs together in a way that reacts upon their lives.* People are not going to be interested in economics until they see plainly how, for example, foreign trade affects the regularity of work in their industry; or that United States loans to foreign governments are not merely something to be read about on the financial page, but events of consequence to the demand for American goods in England and China. After all, amid all the bewildering complexity of the modern economic world, it is the duty of the economist *to make plain the interrelations and their human consequences.*

There is material in this book out of which the thoughtful reader can make his own tentative synthesis. But there is no one contributor who is trying to see the field covered by the book as a *whole.* Is it possible that for the task of such synthesis, undertaken from a definitely pluralistic and humanistic point of view, no one could be found?

Finally, I believe reconstruction discussion is in danger of becoming sounding brass and a tinkling cymbal unless it is premised by an explicit declaration of purpose. Why do we want reconstruction? What do we want reconstruction to do? These are the first questions. Why not answer them first? You cannot discuss method intelligently unless you discuss aims. There is no use building carriages if there are no roads, no road maps and no horses! Why reconstruction, if it is not to some clearly visualized purpose?

No purpose is stated in this volume, and one feels that the individual writers have distinctly different and sometimes even opposed purposes. This constitutes a major failure. For, unless I am much mistaken, the

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first problem of reconstruction is to achieve a definition of aim and purpose for America and for the nations of the world which shall be generous and exalted, but which shall also be definite enough to give the expert technician the sense that a tangible criterion of social value is at hand.

ORDWAY TEAD.

NEW YORK CITY.

Railway Rates and the Canadian Railway Commission. By D. A. MACGIBBON. Boston, Houghton, Mifflin Company, 1917.—xv, 264 pp.

The first part of this volume, the value of which is in no way diminished by the fact that it receives no recognition in the title, tells of the development of water and rail transportation in Canada, describes the present Canadian railway system and the freight rate structure and gives an account of the origin and growth of public regulation in the Dominion. The second part describes the rate problems with which the Canadian Railway Commission has been required to deal and analyzes the principles which the Commission has devised for its guidance in maintaining an equitable relationship between the railroads and the public.

The development of transportation in Canada, as Dr. MacGibbon points out, has been closely related to the development of transportation in the northern part of the United States. While Pennsylvania and Maryland were pushing the construction of the Main Line of Public Works and the Chesapeake and Ohio Canal, in response to New York's waterway between Albany and Buffalo, Canada was endeavoring to safeguard her commercial future by building the Welland Canal; and just as the Pennsylvania Railroad and the Baltimore and Ohio were Philadelphia's and Baltimore's challenges to the supremacy of the port of New York, so the Grand Trunk embodied the competitive spirit of Montreal. The construction of three Canadian transcontinental lines marked the westward extension of the competitive struggle of the seaports and industrial cities of eastern Canada with similar centers in the northeastern section of the United States. In both countries, railroads received large subventions from public treasuries, and in both, orgies of speculation, fraud and mismanagement were witnessed. Both suffered from the evils of high rates and vicious discriminations; and in an effort to correct these evils both eventually created quasi-judicial commissions clothed with wide powers of regulation.

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To his task of making a critical analysis of the work of the Canadian Railway Commission, Dr. MacGibbon brings a clear understanding of the difficulties involved in shaping workable theories of rate making, an intimate acquaintance with the Canadian rate structure and a thorough knowledge of the factors which have been of compelling influence in making the rate structure what it is. His plan is simple. He classifies the rates investigated by the Commission into three main types: excessive rates, discriminative rates and rates inconsistent with wise public policy; and he shows by a discussion of the Commission's decisions what theories it has evolved in connection with each type of rate problem. His presentation is logical, his criticisms fair, his conclusions sound. His opinion of the Commission and its work is favorable, though he feels that in permitting the railroads a large measure of discretion in the adoption of discriminating rates and practices, it has failed to exercise the directing influence upon industrial development which it might have exercised with benefit to the Canadian public.

T. W. VAN METRE.

COLUMBIA UNIVERSITY.

The Development of Rates of Postage. An Historical and Analytical Study. By A. D. SMITH. London, George Allen and Unwin, Limited, 1917.—xii, 431 pp.

This is an important book. In a brief introduction, Herbert Samuel, formerly Postmaster General of Great Britain, says: "It is more comprehensive than any book on rates of postage yet published in the English language, or, I believe, in any other."

Everybody knows something about rates of postage. Every school boy knows about Rowland Hill and the great principle of penny postage. Knowing the facts, in part at least, and knowing the guiding principle, everybody feels entitled to an opinion. Hence, when Congress makes a change in the postage rates involving a new principle, or a new application of "the principle", such as was recently made in regard to postage rates on magazines, opinions spring Minerva-like from every head. This book affords a foundation for correcting those opinions.

Mr. Smith, among many bits of interesting postal history, reviews Rowland Hill's famous activities and brings out certain phases of his great reform that are not in the story as popularly told. He shows that Hill was casting about for the best way to reduce the revenues of the government in one of those rare periods when it had a surplus. He

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regarded his reform, in part at least, as tax reduction. Again, the author shows that the chief feature of the reform, namely, one rate regardless of distance, rests on the "natural cost of conveying a letter" and on the fact that that cost even for long distances is so small as to be negligible. But, nevertheless, the principle does consider cost.

It seems to be often assumed that cost is negligible in all classes of postage rates. Yet it must be apparent that the cost of conveyance on long, sparsely populated rural routes and for larger bundles varies with distance. Hence, the penny-postage principle is applicable only within its proper limits. When extended, it requires support of other considerations. Among these are "the spread of learning", the "facilitation of trade", "equalization of living" and not a few others, which, when backed up by universal suffrage, are very potent. But "Sir Rowland Hill himself never contemplated that the principle was universally applicable to all matter sent by mail" (page 323).

One of the interesting things shown in the book is the constant tendency of postal bureaus to elevate cost into the chief determining factor and that not merely joint cost but separate cost. Against this stands the tendency of legislation to make rates for revenue's sake in all times of pressure.

The book covers postage rates in five countries: England, Canada, the United States, France and Germany. It covers the rates for letters, the rates for newspapers, the rates for parcels, minor rates (such as book-post, samples, commercial papers, post cards and printed matter for the blind), local rates and international rates. There is considerable historical matter and an especially interesting chapter on the analysis of cost; there is also an extensive bibliography.

Where so many views meet as in the determination of postage rates—views political, social, economic and selfish—it is not to be expected that there will ever be agreement, and possibly the conclusions which the author sums up in a long chapter may not suit every one. They have, however, one decided merit. They are cold-blooded deductions from experience and facts. He frequently refers to "economic considerations", and to the "necessity for commercial balancing of cost and revenue". These it is certainly well to bear in mind so that departure from them may be deliberate and intentional, with a due regard to the consequences.

CARL C. PLEHN.

UNIVERSITY OF CALIFORNIA.

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The State Tax Commission. By HARLEY LEIST LUTZ. Cambridge, Harvard University Press, 1918.—ix, 673 pp.

The State Tax Commission by Professor Lutz is one of the most comprehensive and scientific books which has yet appeared in the general field of state and local taxation. For accuracy of statement, critical analysis of data, discriminating and well-balanced judgment and clear presentation, the work is a permanent contribution to the important field of public finance and should be of great value not only as a reference for students but also as a guide to the practical tax administrator. It is the type of substantial and scholarly book of which no adequate estimate can be made within the compass of the ordinary review.

Chapters i–iv, inclusive, trace the evolution of centralized administration from the local assessor through local boards of review, township, city and county, to the state board of equalization and assessment and finally the modern state tax department. If a more detailed historical study of the tax systems of the different states had been possible—and such a study is practicable only in the form of historical monographs for each state—the reviewer is of the opinion that relatively more space would be devoted to the local review board, particularly that of the county. The author very properly recognizes that whether assessors are elected locally or appointed centrally the first condition which "must be met" is "the establishment of an intermediate official between the tax commission and the local assessor" (page 635). A critical study of the county supervision of local assessment is important in this connection. A mass of detailed facts along this line are presented in various chapters, which, in the reviewer's opinion, will, if carefully interpreted, be of great service in coördinating and thereby rendering more workable and efficient the administrative machinery of state and local assessment and taxation. The author, however, in these chapters gives a thorough and scientific statement of why some form of centralized assessment is developed in the different states. In a word, very proper emphasis is placed on the much-neglected subject of fiscal administration.

Chapters v–xviii, inclusive, are devoted to a critical study of the tax departments of Indiana, New York, Massachusetts, Wisconsin, Michigan, West Virginia, Washington, Minnesota, Kansas, Oregon and Ohio followed by a brief survey of the tax commissions of certain eastern, southern and western states. Scholarly presentation is made of such important subjects as the income tax of Wisconsin, the gross

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earnings tax in Minnesota, classified property taxes, the so-called principle of the separation of revenue sources, the *ad valorem* as contrasted with the gross earnings and other systems, the different methods of electing, appointing and removing from office of local assessors and finally the power and authority of state tax commissions. The tax commission is considered from the standpoint of review, the original assessment of certain classes of property and the more efficient supervision of local assessment, although the latter subject is worthy of an even more thorough study.

The conclusion is the only part of the work which, in the judgment of the reviewer, is somewhat inadequate and incomplete. Perhaps, however, the more extended synthesis of such important subjects as the state supervision of local assessment noted above which ought to be made, can more appropriately be presented in the form of articles contributed to standard economic journals. In a word, the great mass of facts so carefully sifted and analyzed can and should be interpreted in a more comprehensive manner by Professor Lutz. I have in mind such subjects as the general property tax and centralized administration, the state supervision of local assessment, and the local assessor. Articles on these subjects from the pen of Professor Lutz would be of great service, particularly to tax administrators.

JOHN E. BRINDLEY.

IOWA STATE COLLEGE.

The Science of Power. By BENJAMIN KIDD. With an Introduction by FRANKLIN H. GIDDINGS. New York, G. P. Putnam's Son's, 1918.—viii, 318 pp.

That ready vehicle for specious argument, the syllogistic form, has always been Mr. Kidd's favorite method. In his earlier book, *Social Evolution*, beneath astonishing and entertaining verbiage could be discerned one major premise, two minor premises and two conclusions. The major was: A brute struggle for existence, resulting in drastic natural selection, is necessary for progress. The first minor was: Man's reason always endeavors to prevent or mitigate the brute struggle for existence. The conclusion followed: Reason is an enemy of progress. The second minor premise was: Religion, operating without sanction of reason, encourages increase of population and is thus a chief cause of maintaining the brute struggle for existence. The second conclusion followed: Religion, not sanctioned by reason, insures progress. *Social Evolution* obtained its popularity, because at

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the time of its publication the charge that religion has no rational sanction aroused intense interest and discussion. The general reader was not able to appreciate the inaccurate interpretations made of biological and other doctrines. Scientists did not waste time in discussing them.

In mode of construction the present volume is true to form. Amid much display of learning, unashamed dogmatism and an egotistical style, the chief contentions lie ready to be reduced to syllogysms. The major premise is: Evolution lies along the line of maximum power. The first minor premise is: From Darwin's day to the present moment the pernicious man-made application of the individualistic and rationalistic doctrine that A survives if A can kill B before B kills A, has determined the line of maximum power. Hence, man through rationalism and individualism has led the world toward ruin. The second minor premise is: In the future the line of maximum power and progress, conditioned from now on by the subordination of the individual to the future survival efficiency of the group, will be determined by the group which first organizes itself about woman's worship of the ideal and through emotion subjects the individual in the present to the future survival of the group. Hence, woman through the "emotion of the ideal" will determine progress.

By comparing the arguments of the two books it will be apparent that Mr. Kidd has shifted his ground in one important point but has retained his position in another. The first minor proposition of the present volume contains the assumption that degeneration has resulted from just such a brute struggle for existence as the major premise of the first volume assumed to be necessary for progress. Both propositions cannot be true. If the logic of one book is correct, the other is thereby proven unsound. On the other hand, both books assume progress to be hindered by reason and fostered by emotion. The first volume looked to religion for the necessary emotion, the second to woman. In both cases, reason is held to militate against survival and emotion to assure it.

The syllogisms thus stated are not clearly brought into juxtaposition by Mr. Kidd. Even the separate propositions are by no means free from obscurity of language, if not of thought. In elaborating the second minor premise of the present work, for example, Mr. Kidd remarks: "Power in civilization rests ultimately on knowledge which is conveyed through emotion and not through the reasoning processes of the mind." The phrase, "knowledge conveyed through emotion", may be pleasing to the ear, but what its meaning is would be hard to explain to the mind of a rational man. Still, one must not be unfair.

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The book, embellished with innumerable phrases of similar profundity and obscurity, is evidently intended to strengthen that unreasoning "emotion of the ideal" which, through woman, is to save the world. The nature of this emotion, if one accepts Mr. Kidd's view, is naturally hidden from the male mind, steeped, as it is, in a masculine science of force rather than open to the coming feminine science of power.

ALVAN A. TENNEY.

Addresses on Government and Citizenship. By ELIHU ROOT. Edited by ROBERT BACON and JAMES B. SCOTT. Cambridge, Harvard University Press, 1916.—ix, 552 pp.

The Military and Colonial Policy of the United States. By ELIHU ROOT. Edited by ROBERT BACON and JAMES B. SCOTT. Cambridge, Harvard University Press, 1916.—xxiv, 502 pp.

Addresses on International Subjects. By ELIHU ROOT. Edited by ROBERT BACON and JAMES B. SCOTT. Cambridge, Harvard University Press, 1916.—ix, 463 pp.

Latin America and the United States. By ELIHU ROOT. Edited by ROBERT BACON and JAMES B. SCOTT. Cambridge, Harvard University Press, 1917.—xvi, 302 pp.

The volumes under review demonstrate the versatility of a leader of the American bar and public life. The editors have performed a useful service in bringing together under fairly generic heads several hundred addresses, speeches and official reports covering Mr. Root's public career, beginning with his speeches as chairman of the judiciary committee and majority floor leader of the New York constitutional convention of 1894. The editors, by brief introductions to the various papers, have given them a setting which adds to the intelligent appreciation of them.

The first of the volumes, on government and citizenship, includes the four Dodge Lectures on "The Citizen's Part in Government," delivered at Yale in 1907, the Stafford Little Lectures on the Constitution delivered at Princeton in 1913, and Mr. Root's speeches on constitutional questions before the New York constitutional conventions of 1894 and 1915, in the United States Senate and elsewhere. It includes also the discussion of Mr. Root's Senate resolution of 1912 authorizing the President to embargo the export of arms and munitions when domestic violence is thereby promoted in American countries.

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To the lawyer, perhaps the last part of the volume, dealing with the administration of justice, will be the most interesting. Here Mr. Root gives expression, principally in addresses before bar associations, to much enlightened thought on law reform and the relation of the law and its ministers to society. While deprecating the constant increase in court decisions and in legislation, much of it so crudely drawn as to invite litigation, he offers but little remedy except better training of the bar, better draftsmanship and procedural reform. He deprecates the multiplicity of new statutes. But when courts are bound by decisions made in other generations and under different economic and social conditions, some of the fetters must necessarily be broken by speedy legislation. The "ancestor worship" which permeates our judicial law is also responsible for much judicial hypocrisy in making unsubstantial distinctions and in professing to uphold the doctrine of *stare decisis* while in reality abandoning it, as intelligent courts often must. The resulting uncertainty in the law breeds litigation which invites more judicial conjecture, and thus the vicious circle grows. Mr. Root is not a strong advocate of codification, which, proceeding gradually, seems our only possible relief from the existing chaos. His analysis of the defects in our administration of justice and in its various agencies, has on the whole not been surpassed.

The volume on the military and colonial policy of the United States consists of addresses and official reports made during Mr. Root's tenure of office as Secretary of War. They grow directly out of the conditions consequent upon the Spanish American War, dealing first with the reorganization of the army and then with the policy of the United States in Cuba, the Philippines and Porto Rico, which Mr. Root had a large share in devising. The editors inform us that the Platt Amendment, defining our relations with Cuba, and the Organic Act of the Philippines were drafted by Mr. Root.

The third volume, on international subjects, embodies various unofficial utterances of Mr. Root while Secretary of State and thereafter, notably his annual addresses as President of the American Society of International Law and speeches made in the Senate and before private associations. They disclose with considerable emotional idealism a fundamental recognition of realities and not too great a faith in formulas and phrases. Formulas, when translated from the exact to the moral sciences, are too often likely to replace accuracy by vagueness and instead of constituting a shorthand device for intricate reasoning are apt to embody a cloak for bad reasoning or no reasoning at all. Mr. Root's discussion of the Panama tolls question, included in the volume, carried the President's proposal through the Senate.

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The international subject-matter of the third volume is continued in the fourth, which is devoted to Latin-American relations. This volume includes the speeches made by Mr. Root during his visit, as Secretary of State, to various countries of Latin America. These speeches aided greatly in promoting the solidarity of the American republics which, thus far, has survived numerous disturbing shocks. It will require much sagacity and intelligence on the part of the United States to retain the confidence of Latin America. Embroilment with Mexico endangers that confidence, and the significance of the present agitation of oil and mining concessionaires and of certain newspapers should be intelligently understood by the public. The recent disintegration of the Central American Court of Justice, so hopefully inaugurated in 1907, gives to Mr. Root's inspiring addresses before the Central American Peace Conference of that year the character of a "pious wish", in which peace conferences are particularly prolific.

These collected papers reveal a commanding figure in American public life. Their publication constitutes a merited appreciation of Mr. Root's important services to his country.

EDWIN M. BORCHARD.

YALE UNIVERSITY.

Modern and Contemporary European History. By J. SALWYN SCHAPIRO. Boston, Houghton Mifflin Company, 1918.—xiv, 804 pp.

This is the second volume which has appeared in the series of college textbooks on European history edited by Professor J. T. Shotwell. The first was Professor Lynn Thorndike's *History of Medieval Europe* (reviewed in the POLITICAL SCIENCE QUARTERLY, vol. xxxiii, 283–287). In spite of the fact that the two books appeared in the same series, were edited by the same scholar, and both authors claim Professor James Harvey Robinson as their historic oracle, it would be difficult to find two textbooks of more radically different character coming from the same school of historical interpretation. Professor Thorndike's work is a model of accurate scholarship, is based to a very considerable degree directly upon the primary sources, contains a large and varied array of relatively original information, but gives almost no evidence of making any concessions to the editor's views on medieval history and fails to exhibit any considerable power of orderly arrangement or lucid expression, so essential to a good textbook. Professor Schapiro's book, on the other hand, while showing a painstaking compilation of information, gives little evidence of profound research, could have been written from some three or four well-known manuals

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and a few standard encyclopedia articles, contains little information not already accessible in college textbooks, but reveals, from preface to index, the editor's views on historical interpretation in general and on modern history in particular, and constitutes one of the finest examples of clear expression and attractive style to be found in the whole array of college textbooks in history.

In view of the existence of such excellent textbooks in modern European history as those prepared since 1907 by Professors Robinson and Beard, Hazen, Hayes and Ogg, one might be disposed to question the need of another college manual in this field, but an unprejudiced examination of Professor Schapiro's book will prove likely to convince every fair-minded reader that it will be a highly welcome and valuable accession to the equipment of teacher and student alike. In the first place, the style, the organization of material and the attitude of the author toward historical interpretation are highly commendable. The book presents something like a combination of the synthetic power of Hayes with the critical and progressive spirit of Robinson and Beard and the clear and pleasing style of Hazen. While it does not equal any of these works in their special virtues just enumerated, there can be no doubt that Professor Schapiro's textbook unites these desirable qualities better than any previous work of its kind in this field. No less praiseworthy is the author's attitude toward the progressive currents in modern thought. He seems not to regret that Darwin lived and wrote his *Origin of Species*, nor does he warn the "young reader" of the danger to his soul which may lurk in the reading of Renan, Anatole France or Huxley. Again, the assignment of space to the various phases of historical material is highly satisfactory from the standpoint of the "new history". Out of 756 pages of text, some 100 pages are devoted to economic history and as many more to social history, while a wholly novel and admirable departure has been made by introducing some 50 pages dealing with the history of literature in nineteenth-century Europe. In radical contrast to the textbook of a decade ago dealing with modern history, which generally ended with the Franco-Prussian War, Professor Schapiro devotes about 500 pages to the period since 1870. A fair degree of success has been attained in the synthesis of economic, social, cultural and political history, though in this respect the book falls short of Hayes, and a workable compromise has been achieved between the chronological and topical methods of presentation. Several chapters exhibit some distinctive excellence. The three dealing with Russia since 1815 constitute by far the most complete and illuminating treatment of that subject to be found in any

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general textbook on modern European history and are especially valuable at the present time. The chapters on the history of Great Britain and the British Empire are very satisfactory, showing a considerable reliance upon Slater's *Making of Modern England*. The picture of British imperial policy and administration will be regarded by some as too roseate, though the author does not hesitate to point out the Saxon and imperialistic obsession of Kipling. The long chapter on the German Empire is clear and comprehensive, and, while the ominous trends and symptoms in the growth of the *Kultur* psychosis are made sufficiently plain, there is no attempt to indicate that the element of the diabolical in recent German nationalism and patriotism is *sui generis*. It is to be regretted, however, that more emphasis was not laid on Bismarck's dominating part in fastening militarism and *Realpolitik* upon modern Germany, so that there could be put at rest once for all the curious myth of recent Bismarckian apologists who have attempted to obscure their past Germanic sympathies by maintaining that if the "good old Bismarckian régime" had been in existence in 1914, there could have been no German military aggression or diplomatic duplicity. The chapter on the Great War, while somewhat choppy, is clear and relatively complete and will provide a very convenient outline of the conflict until a better perspective is obtained with the passage of time. Of the chapters on social and economic history, that on "Revolutionary Labor Movements" is by all odds the best, being both clear and sympathetic. As is the case with Professor Thorndike's work, the typography and maps are so excellent as to constitute models of textbook technique which deserve wide imitation. A good working bibliography, less descriptive than that in Hazen and less complete than that in Hayes, is included.

Considering the work solely from the standpoint of what should be demanded in an elementary college textbook, its defects are of a minor character which can be easily remedied in later editions. There are a considerable number of slips in matters of detail which can best be eradicated by submitting the various chapters to specialists in the subjects with which they deal. Some representative errors of fact or interpretation are the following: There were no changes of class control over the government of England as a result of the Revolution of 1688 (page 9); English political policies were unaffected by the French Revolution (page 45); there had been no conflict between the House of Lords and the House of Commons before 1832 and the former had invariably controlled the latter (page 48); the proposal to create peers in 1832 was a newly discovered "expedient" (page 60); Francis

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Lieber was one of the "Men of '48" (page 130); the abolition of serfdom in Prussia was achieved by Stein and Hardenberg in an edict of 1814 (page 295); and "about 80,000" died of starvation in the Irish famine of 1845–7 (page 389). It is to be regretted that Professor Hayes' laudable precedent of dividing his work into parts corresponding to the outstanding phases or periods of historical development and of prefacing each part with a brief but illuminating statement of the essential characteristics of the period to be surveyed, has not been followed. Apparently the crude method of dividing historical textbooks merely by chapter headings has not yet become obsolete, and as a result the average student will be led into much more confusion and lack of orientation as to the trend or meaning of nineteenth-century history as a totality from a study of Schapiro than from a reading of Hayes, in spite of the fact that the latter contains about fifty per cent. more statements of fact.

Again, those chapters which, in view of the interests of editor and author, we should expect to be the strongest and most conspicuous in the book, are almost uniformly the weakest. In any work on modern European history edited by Professor Shotwell, one is justified in looking for striking chapters dealing with the Industrial Revolution, the significance of science in modern history and the nature and importance of modern imperialism. Instead, one finds one of the briefest and the weakest chapters on the Industrial Revolution that has yet appeared in any college textbook on modern history which has devoted a special chapter to that subject. It gives no such picture of the mechanical inventions as is contained in Robinson and Beard and nothing like the conception of the social and political results of that fundamental economic transformation which is set forth in Professor Hayes' work. Even less satisfactory is the chapter on the growth of modern science, which contains a commonplace summary of well-known facts concerning the development of a few representative sciences, but no account whatever of the tremendous significance of the progress of science in the creation of the modern world. The chapter on the expansion of Europe is clear and critical, but altogether too brief to be in keeping with the allotment of space to the history of continental Europe since 1870 and is not to be compared with the treatment of this subject in Hayes. The chapter on science, especially, should be rewritten and expanded, for this subject is not adequately handled in any other textbook of this character and Professor Schapiro's very evident progressiveness marks him out as peculiarly fitted to perform this task. It will be readily discernible from the preceding summary of the more

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apparent defects of the book that these are not vital matters, but irritating imperfections which can readily be eliminated in subsequent editions. Both editor and author are to be congratulated upon the production of one of the clearest, most progressive and most interesting textbooks yet contributed to this all-important field of history.

HARRY E. BARNES.

CLARK UNIVERSITY.

Documents of the Canadian Constitution: 1759–1915. Edited by W. P. M. KENNEDY. Toronto, Oxford University Press, 1918. —xxxii, 707 pp.

All students of Canadian constitutional history will welcome the publication of this volume. The reviewer wishes that a collection of documents such as it contains had been available years ago and hopes that its success will warrant the preparation of a supplementary volume adding to the material on constitutional history that the writer has here made so easily accessible and including also documents concerned with the economic, fiscal and diplomatic history of Canada.

In view of the new interest in the British overseas dominions that the war has aroused and of the greatly changed relations of the last eighty years between the dominions and the imperial government, larger use must be made of historical material of the class upon which the editor has drawn with much discrimination. Professor Kennedy cannot have carried his work as far as he has—cannot have made his collection of documents as comprehensive as it is—without having realized that from the colonial office papers, the British and Canadian Hansards and the memoirs of British and colonial statesmen, it would be easily possible to compile a second volume as large and as valuable as the present one. If other compilations are to follow, it will be impossible to find a better model than Professor Kennedy's work. Its division of the constitutional history of Canada into six periods (1759–1763, 1763–1774, 1774–1791, 1791–1840, 1840–1867 and 1867–1915) would be difficult to improve upon; and probably no student of Canadian history will be disposed to question the judgment with which Professor Kennedy has selected the 188 documents which his volume contains from the mass of material in the colonial office papers, journals of legislatures and memoirs of statesmen, that confronted him when he began his task.

The collection begins with the articles of the capitulation of Quebec in 1759 and ends with the amendment of 1915 to the British North America Act—an amendment altering the constitution of the Senate,

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and providing that a province shall be entitled to a number of members in the House of Commons not less than that of its senators. Documents chosen from the periods, 1791–1840 and 1840–1867, form the largest part of the collection. This is as it should be, for between 1791 and 1867, and especially between 1828 and 1854, constitutional developments in Canada and to some extent also in the Maritime Provinces, proceeded at a pace which today comes as a surprise to students of the constitutional history of either England or the United States. This is not the place to recount these developments, but it may be remarked that in the whole realm of constitutional history in English-speaking countries there is nothing of more absorbing interest than the struggle in the United Provinces of Canada for responsible government as it developed in the period from 1841 to 1854. The volume contains no index. However, a synopsis of the documents running to twenty-two pages makes up, to some extent, for this deficiency.

EDWARD PORRITT.

HARTFORD, CONNECTICUT.

National Self-Government, its Growth and Principles. By RAMSAY MUIR. New York, Henry Holt and Company, 1918.—xi, 312 pp.

The Culmination of Modern History is the rather ambitious supertitle under which Professor Muir groups his trilogy, *Nationalism and Internationalism*, *The Expansion of Europe* and *National Self-Government*. Last in order of publication, the volume on *National Self-Government* is logically the prelude to the other two, for obviously internationalism is built on the foundations of a conscious and well-developed nationalism, which is also the condition, both material and moral, of colonial expansion. Professor Muir confesses, however, that his volumes were not planned with logical forethought. They all grew, he says, out of a lecture given before a popular audience to show "how all the greatest political developments of the modern world were being brought simultaneously to a great test in the world war." These developments—nationality, international cooperation, self-government through representative institutions, the extension of the political and economic influence of Europe into the non-European world—all seemed to the author to grow together in closer relation to one another even as they were differentiated in his mind, and each accumulated the material for a separate volume.

In the work on *National Self-Government*, Professor Muir has a double purpose: First, to pass in historical survey the growth of the

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machinery of self-government in the various states of Western Europe; and second, to use this historical material as a text for the discussion of the problems of self-government under the various difficulties which it has to face in the inherited character and traditions of peoples. The second purpose outweighs the first in the author's mind. He calls his book "a political essay rather than a formal history, an attempt at what may be called 'historical politics', a blend of narrative and analysis".

The plan and structure of the book are admirable. After a sketch of the rudimentary organs of parliamentarianism in the medieval estates, the author describes the emergence of the "dogmas of liberty" in the great revolutions at the close of the eighteenth century and proceeds to the political transformations of the nineteenth. These latter he considers under these topics: "The Era of Liberal Revolutions, 1815–1855" and "The Era of National Unification, 1855–1878". Here the preponderantly historical or descriptive part of the book gives place to the politico-philosophical analysis of "the rival systems" of parliamentary and autocratic government in operation (1878–1900) and the brewing of the storm of the great world war.

In covering so vast a subject the author, of course, has to limit his description of the institutions of Western Europe to those that are most important and typical. Germany, Austro-Hungary, Russia, France and England furnish almost all of the material. And in the latter part of the book the argument narrows virtually to a comparison of the British and the German political systems as the sharply contrasted examples of democracy and autocracy. In the final chapter on "The Supreme Issue", the author becomes almost lyric in his prophecy of the destinies of self-governing peoples.

Throughout the book, as notably in the volume on *The Expansion of Europe*, Professor Muir is insistent on the virtues of England and perhaps to her failures (if not her faults) "a little blind". For example, the collapse of Russia after the promise of Brusilov's "drives" was due, according to Professor Muir, to "half-heartedness, corruption, and frank treason" (page 284); but readers of Morgenthau's and Masefield's stories of what happened at Gallipoli know that the Russian *débâcle* was not wholly due to German intrigue.

It is astonishing to find in a book of such evident merit and scholarship as many errors and misconceptions as Professor Muir incorporates in his chapter on the American and French Revolutions. One wonders from what source save imagination he could have gathered the misinformation on the American political system which appears on pages

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37 to 44. He affirms that at the time of our independence there was "social and political equality" in the new republic, that America in the early years of her nationhood was "preserved by her geographical position from all serious danger of foreign complications", that an amendment to the Constitution could not become effective "until two-thirds of the separate states had decided by majorities of three to one to accept an alteration of the Constitution", that the Supreme Court held the income tax invalid in 1895 because it deprived citizens of their property "otherwise than by process of law", that the President is "irremovable during his period of office", that he cannot declare war "without the *assent* of the legislature", and that the American Constitution had "only in a very slight degree influenced the forms" in which the demands for political liberty in other lands were embodied (see Professor Brooks' volume on *The Government and Politics of Switzerland*, and Dr. Curtis' dissertation on *The Influence of the American Constitution on the Constitution of the French Republic of 1848*, to say nothing of the constitutions of the Latin-American republics). And how many students of the French Revolution, having in mind the work of Turgot, Necker, Malesherbes and Mirabeau, could acquiesce in the statement (page 46) that the Revolution at its beginning "took the form not of definite and measurable projects of reform, but first of an analysis of the nature and aims of human society at large, and secondly, of a series of bold and unqualified doctrines, not relating solely to the circumstances of France, but claiming a universal validity"! All that Professor Muir sees (at least all that he notes) in the French Revolution is what was "shallow", "doctrinaire", "vague" and "unpractical" (page 49).

At any rate it is fortunate that Professor Muir has grouped his false or questionable statements almost entirely in the short chapter on the revolutions of the eighteenth century. Outside those few pages there is little to take exception to, though the reader wonders how the author can say that the Stuarts "never dreamt of placing restrictions" on local governments (page 23), or why he dates the Dreyfus affair "1897–1900" (page 199), and the terminus of the Conservative reaction in England "1906" (page 207) when the Campbell–Bannerman ministry was seated in power the year before, or how Karl Marx would feel if he heard himself described as the "inspiration" of those who "scorn the dream of coöperation for the common weal" (page 286).

But we should not miss the forest by dwelling on a few diseased trees. What Professor Muir set out to do he has done with brilliancy and conviction. He has shown that "the fortunes of self-government

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are bound up with the fortunes of nationalism, since it is only in communities unified by national feeling that genuine self-government is possible" (page 240).

DAVID S. MUZZEY.

The Patrimony of the Roman Church in the Time of Gregory the Great. By EDWARD SPEARING. London, Cambridge University Press, 1918.—xix, 147 pp.

This little book, the author of which gave his life upon a battlefield in France in 1916, is based upon a study of the letters of Gregory the Great and upon the treatises of Ewald, Borgia, Zaccaria, Hartmann and Grisar. After an introductory statement of the importance of the patrimony as the foundation of the material greatness of the medieval papacy, in that it enabled the pope to become a powerful independent ruler, twenty pages are devoted to a discussion of the growth and extent of patrimony under Gregory the Great. It is shown that while the Christian Church in Rome had acquired considerable wealth in the early days, the acquisition of great estates by the church dates from the legalization by the Emperor Constantine of gifts of property to it. Roman nobles who had embraced Christianity made enormous donations to the church, especially during the fifth century, and these were further increased by imperial bounties. Patrimony was also augmented by a "small but continuous stream of goods and estates" of deceased church dignitaries, monks and slaves (page 4). Of these three sources, the gifts from the faithful nobles were by far the most important. The estates were widely distributed, but for administrative purposes they were grouped together to form large territories such as those of Italy, Sicily, Illyria, Gaul and Africa.

Following a brief discussion of the various patrimonies, of which that of Sicily was the most important, the second chapter deals with the government or general system of administration. Papal administration of the patrimony was largely imperialistic in character. The pope as an absolute monarch was comparable with the emperor, "the rectors with the provincial governors, while the Church, like the State, possessed its defensors, notaries, and courts of justice" (page 21). Considerable detail is given to the appointment, powers and duties of these officials. Of especial importance is the discussion of the efforts of the church to build up a system of organized poor relief in connection with the administration of the various patrimonies.

In the third chapter a rather detailed explanation is given of the internal organization of each patrimony, but of greater import is the

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light thrown upon the prevailing social customs and conditions of the time. The account of the relation of the various classes of peoples to each other and to the papacy, will be of value to any one who seeks to learn something of the way in which the people of that time lived. The author's treatment of the attitude of the church toward slavery and the Jews is most laudable.

In the fourth chapter, "Relations with the State", the author makes no attempt to deal in any general manner with the relations of church and state. He makes but brief mention of the attitude of the officials of the patrimony toward the state as shown by the letters of Gregory, which are conceded to be the only reliable source of information on the subject. His statement that the patrimonial officials pursued a policy of "watchful independence" is well made. They had as little intercourse as possible with the imperial officials, but in such intercourse they exercised tact and fairness. That the state officials were extortionate and oppressive was largely attributable to the decadence of the imperial system of administration.

The last two chapters deal with the collection of the revenue of the patrimony and its expenditure. The excellence of its fiscal system, the author shows, enabled the church to perform many of the functions of a modern banking institution. A great part of its income was used for poor relief and various other charitable purposes. Surely the church in the sixth century was more conscious of its duties than in the succeeding ages.

This monograph is a valuable work, not only for its account of the origin and organization of the patrimony of the Roman Church, but also for the insight which it gives into general conditions in Italy during the fifth and sixth centuries. The state of society, the effort of the church in organizing a system of poor relief, the land-holding system and the fiscal methods of the time, the relation of the church to the decaying Byzantine Empire, the incompetency and rapacity of the imperial officials, the miserable inefficiency of the imperial government as compared with the smooth and efficient workings of the papal administration, the beginning of civic independence and the foreshadowing of the coming feudalism—all these subjects are treated in a manner that is most interesting and that proves the author's scholarly knowledge. In addition to a copy of a deed of gift of property to the church, the work is provided with a brief bibliographical note and an excellent index.

HARRY J. CARMAN.

COLUMBIA UNIVERSITY.

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Trade Unionism in the United States. By ROBERT F. HOXIE. New York, D. Appleton and Company, 1917.—xxxvii, 426 pp.

This posthumous work consists chiefly of the notes used and lectures delivered by Professor Hoxie during his last year of teaching at the University of Chicago, supplemented by a number of his published papers. Altogether, the book is a surprisingly complete presentation, although naturally some aspects of the subject are less fully dealt with than would have been the case if the author had lived to write the book.

The most important parts of the book are chapters ii-vi, in which the author's "Theory of Functional Trade Union Types" is set forth. In chapters ii and iii, the theory is expounded; in chapter iv, historical evidence of its truth is submitted, and in chapters v and vi, a classification of existing unions into groups on the basis of the theory is attempted. Professor Hoxie distinguishes four union types—business unionism, friendly or uplift unionism, revolutionary unionism and predatory unionism. He believes that through such a classification more knowledge of trade unionism is gained than through classifications based on structure, which have been the usual starting points of previous writers.

The essence of his contention is that these functional types represent genetic forms of group psychology—abiding reactions to the wage system and not mere temporary aberrations from a single type. There is no doubt that at the time Professor Hoxie wrote, his classification furnished a good working basis for a descriptive account of American trade unions. But his theory goes much farther than this and asserts that the other forms are not mere temporary variations of that type—business unionism—which other students have regarded as normal. Obviously, the defence of this position must be found in the history of trade unionism. The chapter entitled "A Brief Historical Review", in which the author has attempted to "assemble enough evidence of this character for the practical testing of our thesis . . .", is far from convincing. As Mr. E. H. Downey discriminatingly remarks in his very able Introduction to the volume: "This view of unionism whether as interpretation or as genetic account, wants definite verification."

Even, however, if the author's "Theory of Functional Trade Union Types" does not prove to be true in the extended sense in which he believed it to be true, his contribution will still remain important, for his clear and definitive descriptions of certain forms of trade unionism are by all odds the best in the literature of the subject. There are

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also other excellent chapters in the book—notably that entitled "The Leaders and the Rank and File".

The whole book breathes a spirit of such openmindedness and candor and gives evidence of such penetrating insight that one lays it down with heightened regret for the untimely death of the author and a renewed sense of the great loss suffered by economic science. All students of trade unionism will be glad to have even this incomplete record of the results which the author had obtained and also the indications of the lines along which he had planned his future work.

GEORGE E. BARNETT.

THE JOHNS HOPKINS UNIVERSITY.

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BOOK NOTES

The immemorial desire for permanent international peace, quickened by the unprecedented and incalculable cost of the recent war, has not only produced many plans for the better organization of the world, but has also stimulated the study of earlier efforts to solve the same problem. The most complete and, in many respects, the best review of these efforts is that given us by a Dutch jurist, Dr. Jacob ter Meulen: *Der Gedanke der internationalen Organisation in seiner Entwickelung, 1300-1800* (The Hague, Nijhoff, 1917; xi, 397 pp.). The bulk of the book (pages 101-339) is devoted to an analysis of thirty more or less detailed projects, from that of Pierre Dubois (1306) to that of Immanuel Kant (1795). Twenty of these plans were formulated in the 18th century. Dr. ter Meulen's summary of each plan is preceded by biographical data regarding its author. It is interesting to note that the majority of the authors were not primarily philosophers, scholars or literary men, but men of affairs. Even if we reject Sully's statement that his scheme was devised by Henry IV, the list still contains a king, a pope, several other statesmen, half a dozen jurists and two or three military men. A historical introduction of a hundred pages reviews the development of "the international idea", and a brief closing section is devoted to a comparison of the various schemes. One is impressed by the fact that many features of twentieth-century plans and even of the covenant recently framed at Paris, can be found in one or another of the projects formulated centuries ago.

In all projects for abolishing war or diminishing its frequency by international agreements, the most difficult question is that of sanctions, of the penalties to be imposed upon the state that disregards its pledges. The penalties proposed have ranged from general disapproval to joint military action. The one sanction that does not seem to have been suggested before the nineteenth century is the international boycott. Of this method of coercion, Dr. Heinrich Lammasch, the well-known Austrian jurist, has been, if not the first proposer, at least one of the most urgent advocates. In the concluding chapter of his latest book, *Das Völkerrecht nach dem Kriege* (Publications de l'Institut Nobel norvegien, vol. iii, 1917; 218 pp.), he develops his plan fully and clearly, appending a formal draft of an international covenant. Dr. Lammasch does not propose to enforce

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arbitration, but to secure, in any controversy which threatens to lead to war, the postponement of hostile action until opportunity has been given for mediation and the proposal of an adjustment. Acceptance of a proposed adjustment is not to be forced upon the disputants; the members of the league are pledged only not to resort to war without giving time for mediation. If either of the disputing states breaks this pledge, all the other members of the league are to break off all relations with the offending country. They are to forbid their citizens to give any aid to that country, and they are to permit them not only to trade with its adversary but also to lend the latter any assistance they choose. The automatic boycott of the Paris covenant is quite in line with Dr. Lammasch's plan. In the earlier chapters of the book, the author makes many practical suggestions for the betterment of international law.

The mass of controversial literature produced during the World War has been so great that it has been impracticable to review or even to notice in this journal any considerable proportion of the indictments and defenses framed in the contending countries. Belated tribute should be paid to M. Emile Waxweiler's *La Belgique neutre et loyale* (Lausanne, Payot, 1915; 305 pp.), of which G. P. Putnam's Sons promptly published a satisfactory translation, *Belgium Neutral and Loyal* (xi, 324 pp.). The case of Belgium against Germany is here presented so simply and clearly and with such restraint of expression as to entitle the book to rank as a classic. All M. Waxweiler's contentions have since been supported by additional evidence, not a little of which has come from German sources.

The Principles of the Moral Empire (London, University of London Press, 1917; 247 pp.), by Kojiro Sugimori, is a treatise suggested by problems that have arisen out of the war. It is a plea for a moral, theological and social reform to be attained by strengthening the concept of personal worth as against the desire to render the interests of the individual, the class and the nation paramount over all other considerations. The author, who is professor of philosophy in the University of Waseda, Tokyo, finds the basis of the moral empire in a "metaphysical pride, which consists in a boundless self-respect and self-responsibility, as well as an infinite faith in our own power or creative possibility." The principles of it he then proceeds to elucidate from the standpoints of conscience and utility, the inner and outer world, pride and love, and personal worth and the social order. Only in a new religion which shall make this recognition of the moral value of the individual supreme, he thinks, will it be possible to right the present maladjustment of the relations of mankind.

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In *La Question d'Afrique* (Paris, Librairie Félix Alcan, 1918; xi, 391 pp.), Professor Raymond Ronze seeks to explain the share of African problems in bringing on the Great War. To this end he has traced the relations of Europe and the Dark Continent from their origins up to 1914, successively increasing the amount of space devoted to the later periods, so that rather more than half of the work is taken up with an account of the developments since 1885. In view of the fact that many excellent treatises have been written on specific portions of the general subject, the author has tried to synthesize them and make a connected story. As might be supposed, the work of France bulks large in the treatment, but without being assigned an emphasis altogether inordinate. The main thesis laid down is that just as there has been an Eastern Question, Near and Far, so there will be an African Question, which must be settled either by co-operation among the European nations now holding nearly all of Africa or by the inhabitants of the continent themselves, in proportion as they rise to a consciousness of the power of numbers reinforced by intelligence and by material means of defence. Because of the abundance of books that dilate upon the various phases of international politics, it seems unfortunate that Professor Ronze has not discussed at length the extent to which the process of Europeanization hitherto carried on among the natives has imbued them, or seems likely to imbue them, with an appreciation of the right and the ability to order their own destinies. To this aspect of the matter, however, he assigns barely a dozen pages of epilogue.

A very convenient index to the problems that have beset the deliberations of the Peace Conference is that furnished by Lothrop Stoddard and Glenn Frank in *Stakes of the War* (New York, The Century Co., 1918; xiv, 377 pp.). Dividing the geographical field into western, northern and eastern Europe, the Balkans and the Near East, along with appropriate subdivisions devoted to localities treated, it provides in each case a summary of the historical background, statistics of area and population, a survey of social, economic, political and military conditions, an account of the conflicting claims and interests involved, and a statement of the various solutions that have been proposed, as well as an estimate of their possible significance for the future. Serviceable maps and bibliographies also are supplied. An appendix on colonial problems completes the volume. The compilers, certainly, have tried to keep their viewpoint throughout impartial and objective. Their success in this respect, added to the succinct yet suitably comprehensive way in which they have presented their material, makes the book decidedly useful to the general reader.

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A tardy comment on *Socialism and War* (New York, New Review Publishing Association, 1916; viii, 267 pp.), by Louis B. Boudin, may be justified on the ground that the first half of the title, though submerged by the second half when the volume appeared, has, like the infant that wails resistance to its bath, demonstrated its vitality and staying power by emerging from the ordeal refreshed and more lusty than ever. The author ascribes to economic causes the most important part in bringing about international conflicts and looks to socialism for the remedy. As a socialist, he espouses the class struggle theory of progress. All races are, so he maintains, essentially capable of developing along the lines of civilization. Differences of development are in degree, not in essential kind. As civilization improves, historic differences should disappear in a superior common type, representing a merger of "all national cultural differences . . . in a higher, pan-human culture." In looking to this end, the author assumes, necessarily, that the class struggle differs fundamentally from national struggles in that it fights not for superiority, but for equality, and seeks to destroy, not the entire order, but only certain of its evil attributes. In the present condition of things he holds that the working class of each country is vitally interested in preserving the freedom of that country from alien dominion and that the socialist is ready to go to war to defend that freedom, so that another obstacle may not be placed "in the path of the final emancipation of the entire human race from the inequalities, degradations, and miseries incident to class-society." On the same ground he rejects the theory of neutrality, while suggesting that the practical comparison of probable costs with probable results may dictate abstention in a particular instance, the criterion being always the effects on "the international working class and its struggle for emancipation." On the other hand, he maintains that, by regarding the "enemy" in any case not as a certain nation but as "a certain government, representing at most the governing class", it would be easier to make a real peace, with resumption of friendly relations and cooperation in peaceful pursuits. Perhaps it is not out of place to remark that the old nationalist conquerors were much in the habit of proclaiming to their enemies that they came "not to make war upon the people, but only upon the government", but the distinction did not save the "people", after the "government" was gone, from loss of territory and the imposition of indemnities.

Two years ago Harvard University appointed a committee on economic research, of which Professor Charles J. Bullock was chairman.

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It was decided to begin research in the field of economic statistics, and Professor Warren M. Persons undertook, for the committee, a study of present methods of gathering and interpreting such data. As a result of these investigations the committee has issued the first number of the *Review of Economic Statistics* (January, 1919), a quarterly publication, under the editorial supervision of Professor Persons. "The purpose of the Review is to promote the collection, criticism, and interpretation of economic statistics, with a view to making them more accurate and valuable than they are at present for business and scientific purposes." It is not the primary object of the committee to collect first-hand data, but rather to devote its resources to scientific criticism and interpretation of existing facts, by developing the application of modern methods of statistical analysis to economic statistics. Sources of information will be investigated and tests of accuracy established for existing data. It is not the purpose of the *Review* to duplicate the work of existing governmental and commercial agencies devoted to the collection and publication of economic facts, but to cooperate in a constructive manner with these enterprises. The committee will deal at first chiefly with industrial, commercial and financial data which serve as a basis for judgments concerning fundamental business conditions. As resources permit, other types of economic statistics will be included. It is the final purpose of the committee to make a contribution to the general progress of economic science, which depends to an increasing extent upon the development of methods of measuring accurately and interpreting correctly the complex phenomena with which it deals. Such purposes as are outlined in this first number of the *Review* are recognized as fundamental by those who are interested in the science of economics, and the publication is a welcome departure in a very timely and fertile field of research.

The last ten years have seen the publication of an enormous mass of governmental reports on the conditions of labor. These inquiries have usually been undertaken for a specific practical purpose and each has dealt only with those aspects of the subject which were related to the main interests of the particular inquiry. Naturally, the information so obtained is difficult to put together in such a manner as to yield sound and profitable generalizations. Students of labor problems owe, therefore, a debt of gratitude to W. Jett Lauck and Edgar Sydenstricker for the volume on *Conditions of Labor in American Industries* (New York, Funk and Wagnalls, 1917; xi, 403 pp.), in which is attempted a summarization of the results of recent in-

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vestigations. The authors have shown a proper reserve in dealing with the material, and their conclusions are marked by caution. The value of the book is enhanced by a useful bibliography of the investigations used. Apart from its usefulness as a summary, the book should contribute to the better planning of future investigations.

From a statement made by Dr. Frank Wesley Pitman in the Preface to *The Development of the British West Indies—1700-1763* (New Haven, Yale University Press, 1917; xiv, 495 pp.), it would appear that work on this monograph was begun some years ago. If this assumption is true, Dr. Pitman could not then have foreseen the practical interest that now attaches to his book, arising from developments in tariff politics in Great Britain resulting from the war. Lloyd George and, it would seem, the majority of his supporters in the House of Commons are committed to the safeguarding of basic industies, to legislation against dumping and to a return to preferential treatment in the British tariff of some colonial products. It is not venturing into the realm of British political controversy to recall that under the old commercial system the colonial preferences that cost the people of Great Britain most dearly were those granted to lumber from Canada, Nova Scotia and New Brunswick, and to sugar long produced by slave labor in the British West Indies. In the present volume, Dr. Pitman is concerned in detail only with the period from 1700 to 1763. But the preferential system of 1763-1846 was not, in its working, greatly dissimilar from that of 1700-1763. The West India lobby at Westminster was as influential during almost the whole of the later period as Dr. Pitman shows that it had been during the earlier. As long, moreover, as the system of preferences survived, false clearing-house papers, used for the purpose of securing preferential treatment in British ports for produce that was not of British colonial origin, were nearly as much in vogue as they had been during the period of which Dr. Pitman writes. Most of the material on which the present informing and admirable study is based has been drawn from documents and papers of the Board of Trade now in the Public Record Office in London. This material, much of which is statistical, has been handled with a skill that has imparted interest to every chapter. A continuation of Dr. Pitman's study, which, unfortunately, he does not appear to contemplate, would be welcome for at least two reasons. In the first place, the West Indies and their trade occupy an important place in the history of the relations of the United States and Great Britain during the half century that followed the American Revolution; and in the second place, slavery

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and the West India sugar preference often intruded themselves into British politics in the years from 1807 to the fiscal revolution of 1846. It would now seem, moreover, that colonial preference is again to find its way into the British tariff.

In *The Empire on the Anvil* (London, Smith, Elder and Company, 1916; xvi, 242 pp.), Mr. Basil Worsfold presents the case for the creation of a federal government for the British Empire. He holds that the war has made it imperative that attention should be turned to the problem of the reconstruction of the administrative system of the empire. Mr. Worsfold points out that the substitution of a federal or dual system for the system under which the British Empire is governed at present would not be to erect an imperialistic system. The very opposite, he says, would be the case. "The present system is imperialistic, since the electorate of a single state (the United Kingdom rules the rest of the empire. But under a federal system, the status of the United Kingdom would be reduced to an equality with that of other component states of the empire, and its sovereign power would be shared by them." Mr. Worsfold is convinced that under a federal system the empire would gain in administrative efficiency. The organized development of its resources under a central government would, he is confident, augment its collective strength for all purposes of peace or war; and the immediate constitutional effect of the change of system would be to convert what is now the empire of a single sovereign state into a free union of states and peoples. Mr. Worsfold boldly faces the great difficulties confronting the organization of the empire on federal lines—difficulties due to wide separation of its component parts, to differences of race and civilization, and to the preëxistence of the imperial authority now centered in the United Kingdom. He also realizes that both the United Kingdom and the oversea dominions would have to make many sacrifices to effect a new imperial organization. But he contends that these sacrifices would be compensated for by the share of imperial unity which would accrue to each of the British communities concerned. One of the serviceable features of Mr. Worsfold's book is the material that he presents concerning larger schemes for closer union of the empire—in particular, concerning the work attempted and accomplished by the Imperial Federation League and also concerning the Colonial Conferences and the Committee of Imperial Defence.

There are at least two reasons for according a hearty welcome to Mr. H. C. Ferraby's *The Imperial British Navy; How the Colonies Began to Think Imperially upon the Needs of the Navy* (London,

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Herbert Jenkins, Limited, 1918; 277 pp.). It is in the first place a clear and admirably presented history of the attitude and policies of the self-governing colonies toward responsibility for the naval defense of the Empire. In the next place Mr. Ferraby's timely contribution to the history of the relations of the self-governing colonies with Great Britain seems to suggest that the war has aroused a new and wider interest in colonial autonomy, as beneficently developed in the period from the rebellions in Canada of 1837–8 to the great crisis that confronted the Empire when the Teutonic powers started out on their mission of world conquest in the summer of 1914. Responsible government was conceded to most of the colonies, which are now Dominions, in the years from 1841 to 1854. The history of this concession—the first stage in the new relations of the colonies to Great Britain—has been adequately told. But the other changed relations growing directly out of the concession of responsible government have been singularly neglected by writers on the history of the British Empire; and as far as can be recalled, Mr. Ferraby is the first student of these newer relations to trace with any degree of completeness the way in which the colonies realized and attempted to discharge their responsibilities and obligations with regard to the defense of their own shores. Little was done in this direction before 1887. But between 1887 and 1914 all the colonies in one way or another had made some contribution either to the navy or to the cost of maintaining the navy. Mr. Ferraby's book must soon go to a second edition. In preparing this he will add appreciably to its value if he will show how far the colonies availed themselves of the Cardwell Act of 1865, by which power was given to them to maintain vessels of war, to raise men for service on war vessels; and to legislate for the discipline of men in the colonial naval services. Adderley, in his sympathetic study of the development of responsible government in the colonies, bestowed praise on Cardwell for the act of 1865. But exceedingly little has been written of the use to which the self-governing colonies put the act by which these new powers were conferred on them.

In *The Awakening of an Empire* (London, John Murray, 1917; xxvi, 326 pp.), Mr. Robert Grant Webster, of the Inner Temple, who was a Conservative member in the House of Commons from 1886 to 1899, strongly advocates a return to protection. As he views it, the policy of free trade "lies in a heap of ruins—a monument of broken promises and failure." At times Mr. Webster is a little inexact in his presentation of the fiscal history of the United Kingdom, as, for

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instance, when he states that "free trade was a catch electioneering expression, invented by certain agitators in 1846." In places, also, he is severe on some of the men who were his colleagues in the House of Commons, but who were not, like himself, members of the Conservative party. From the point of view of those who are compelled to watch the progress of reconstruction in England at long range, one obvious value of Mr. Webster's book is that it manifests the spirit in which the fiscal question, as it affects reconstruction, is being discussed by some of the thorough-going protectionists.

Mr. Christopher Turnor's *The Land and the Empire* (London, John Murray, 1917; 144 pp.) is a distinctly valuable addition to the library of reconstruction literature. It is of more than passing usefulness because of its clear and well-ordered exposition of the agricultural economy of England on the eve of the war, and because of the comparison which the author makes of the agriculture of England with that of Belgium, Germany and Denmark and the statistical and other detail on which this comparison is based. Mr. Turnor, like Mr. Webster, is not an admirer of the old school of economists, the school that so greatly influenced England's fiscal policy during the hundred years preceding the outbreak of war in 1914. But only a few pages of Mr. Turnor's book are concerned with the old-school economists and the fiscal system. In the main it is a plea for a better organization of agriculture in England, for a new and more social attitude of owners of land toward land as a peculiar form of property, for a large extension of small holdings under national as distinct from county systems of inception, finance and oversight and for better wages for agricultural laborers in counties where wages are notoriously low and inadequate. In urging better organization of agricultural economy, Mr. Turnor repeatedly emphasizes the importance of cooperation in purchasing farm supplies in some departments of farm work and in particular in marketing farm products. Like the late Earl Grey, he attaches great importance to the ethical and social value of cooperation; and above all, he pleads for a national land policy. His book is of special interest to students of farm economy in the United States, for Mr. Turnor treats of farm problems in England, some of which are quite similar to problems which have engaged, or are now engaging, the attention of the Department of Agriculture at Washington.

The preparation of *The Government of England—National, Local, and Imperial* (New York, G. P. Putnam's Sons, 1917, xi, 384 pp.) must have been a congenial undertaking for Professor D. D. Wallace. From

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the first page to the last this is obvious, for, as the book manifests, he is an admirer of the political civilization of Great Britain and the British Empire and is disposed to endorse the statement of Admiral Dewey when he declared that after many years of wandering he had come to the conclusion that the mightiest factor in the civilization of the world was the imperial policy of Great Britain. Professor Wallace's aim in writing his book was to describe "the English government as it is, without distracting the reader with a long account of how it came to be what it is." To this end he has grouped his subjects into the following divisions—the legislature, the executive, local government, empire and colonies, and social and political characteristics. The field into which he has thus moved is a large one to be covered in a book of eighty thousand words. To some degree Professor Wallace has succeeded. He gives an easy, flowing description of the framework of the British government. He is eminently successful in describing the attitude of the people of England toward their governmental institutions and in conveying the spirit in which these institutions are worked. But the book lacks compactness; and in some places, even when the limitations of space are kept in mind, there is obvious skimpiness. One instance of this is in the chapter describing political parties at Westminster. A reader previously ignorant of the subject would end his perusal of the chapter with the impression that in 1916, the year in which the book was written, as in the first half of the nineteenth century, there were only two parties in Parliament. There is not a word about the Nationalist party, nor about the Labor party as it has existed and developed since the general election of 1906. There is nothing in the book, in fact, to indicate the development of the group system that was the outstanding feature in the House of Commons from the third extension of the franchise in 1884 to the beginning of the Great War. Professor Wallace's statements, moreover, are in some places inaccurate. Parts of the book are now out of date by reason of the revolutionary changes in the electoral system made by the Reform Act of 1918. To be out of date, is, however, the lot of writers on the English constitution, for of no country is political progress more characteristic than of Great Britain.

Treatises and monographs of worth on various subjects in British imperial history are not wanting, but a tolerably satisfactory brief history of the British Empire remains to be written. The most recent attempt to supply this desideratum has been made by two professors of history in Grinnell College, Cecil Fairfield Lavell and Charles Edward Payne. In *Imperial England* (New York, The Macmillan

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Company, 1918; ix, 395 pp.), these gentlemen display a fluent and engaging style, but their book is weak both on the side of imperial policy and of colonial government. In the seventeenth and eighteenth centuries there was what we are justified in calling a British colonial system, and it was destroyed in the nineteenth century, but the authors give no evidence of an understanding of its rise, development or fall. They tell us nothing of the imperial aspects of mercantilism or free trade, though a story of the old British Empire that leaves out mercantilism, or of the new British Empire that dispenses with free trade, is in as serious a predicament as Hamlet without the prince. One sentence is deemed sufficient for the government of the Australian Commonwealth, though space to the extent of fifteen pages is found for the achievements of Livingstone. Had the authors made more judicious use of the books contained in the list of suggested reading appended to the volume, they would have greatly improved their work.

The Colonization of Australia, 1829-1842, The Wakefield Experiment in Empire Building (London, Sidgwick and Jackson, Limited, 1915; xx, 363 pp.), by Mr. Richard Charles Mills, is a detailed and excellently presented study of Edward Gibbon Wakefield's theory of colonization and its working in South Australia. Wakefield's plan was based on three principles: (1) the sale of government lands in the colonies at a uniform and sufficient price; (2) the use of the whole or a fixed proportion of the revenue from land sales in promoting emigration from the United Kingdom to the colonies; and (3) a judicious selection of emigrants with respect to age, sex and social position, with a preference for young married couples. At least two plans of colonization in which the government was concerned had been tried in the era of British colonial history that began in 1783, before Wakefield established himself as an authority on colonization. Both were tried in the years from 1815 to 1830. The first was Wilmot Horton's scheme for settling paupers in the British North American provinces or in Cape Colony. Horton's plan was not undertaken on a large scale, and no success attended it. The second attempt resulted in the Swan River settlement in Western Australia where success was partial and slow. Wakefield's plan of colonization was the most interesting of any of those that were tried, until, in the era of responsible government (1843-1855), crown lands in the self-governing colonies were turned over to the colonial governments. A study of the Wakefield system is well worth the care which Mr. Mills has bestowed upon it. The introductory pages of his book, moreover, are

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of value for the light they throw on the indifference of Parliament and of the people of England to colonies and colonial questions in the first half of the nineteenth century.

At least two women—Miss Emily P. Weaver and Miss Agnes Laut—have made contributions of recognized value to the history of the Dominion of Canada; but, as far as can be recalled, Miss Mabel McLuhan Stevenson is the first Canadian woman to venture into the realm of political science. Miss Stevenson's venture, *Our Government—A Book for Canadians* (Toronto, George J. McLeed, Limited, 1917; 178 pp.), is an unqualified success. It is a book of 178 small pages that is characterized by the simplicity and excellence of its plan and by the care with which the plan is worked out. With good judgment, Miss Stevenson, in treating of the governmental institutions of the Dominion, begins with those nearest the people, with those with which they are most frequently in touch. She begins with local institutions—those of the village, the township, the city and the county; and then she proceeds to describe the governmental machinery of the province and the Dominion. She confines herself rigidly to the machinery of government. She makes no attempt to describe its actual working. Her object apparently was to write a guide to municipal, provincial and Dominion government. With this end in view, she has achieved a success which is due in a large measure to the simplicity of her plan and the clearness which characterizes the description of the various departments of government with which she deals.

As far as can be tested, accuracy as well as inclusiveness, characterizes Mr. N. Omer Coté's *Political Appointments, Parliaments, and the Judicial Bench in the Dominion of Canada*, 1896 to 1917 (Ottawa, Lowe-Martin Company Limited, 1917; viii, 384 pp.). This is the second volume of Mr. Coté's compilation. The first was published in 1896. It dealt with the years from 1867 to 1895. Consequently, as a completed work, the handbook covers the first half century of Canadian confederation. The arrangement is remarkably good. The same may be said of the framework of the book; for there is a table of contents so detailed that it extends to six pages; and there is an index of twenty-seven double-column pages. For the index, users of the handbook will be indebted to Mr. Coté as long as the book is in service. It is much fuller and more complete than is often the case in political handbooks. One instance of its completeness will suffice. In the case of proper names, the elections or political or judicial appointments to which they attach, are given. There need be no turning over of many pages to discover the particular name in which the student who is

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using the book is interested. It was a commendable idea to bring out the second volume of the compilation in the year of the fiftieth anniversary of Confederation. As a completed work the handbook is a serviceable memorial of an anniversary of much interest to the whole of the English-speaking world.

None of the works that have appeared on British imperial reconstruction embodies more painstaking and scholarly research than Dr. Arthur Berriedale Keith's *Imperial Unity and the Dominions* (Oxford, Clarendon Press, 1916; 626 pp.). The volume is divided into two parts. Part i, dealing with "The Limitations of the Autonomy of the Dominions", is subdivided into four sections, the first concerned with the position of the governor in the Dominions, the second with the powers of the legislature, the third with appeals from the courts of the Dominions to the Judicial Committee of the Privy Council and the fourth with amendments to the constitutions of the Dominions. The first part can be characterized briefly as an examination of the powers which have been conceded since 1840 to British colonies possessing responsible government or have been acquired by those colonies through their own insistence. Dr. Keith shows in detail and with great care in what respects more powers must be exercised by the Dominions if they are to enjoy the status of full nationhood. In part ii, which deals with the question of closer union between Great Britain and the Dominions, the author offers a number of suggestions for advancing the status of the Dominions and promoting imperial unity. They are all interesting, and in view of Dr. Keith's acknowledged position as an authority in British imperial politics, each is worthy of careful consideration. Most of them are suggestions which can be adopted immediately, without awaiting any general reconstruction of the Empire.

In Letters to the People of India on Responsible Government (New York, The Macmillan Company, 1918; xx, 211 pp.), Mr. Lionel Curtis advocates the concession of responsible government to India. His study of the situation in India made in 1916-1917 has convinced him that the time must soon come when it will be necessary to transfer the control of Indian affairs from the people of the British Isles to those of India. The interest taken by educated Indians in constitutional questions is described by Mr. Curtis as intense. In August, 1917, a statement was made by Mr. Montagu, the Secretary of State for India, in the House of Commons, pledging the imperial government to the introduction by gradual stages of responsible government in India. The fulfilment of this pledge is now within the

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realm of practical politics at Westminster, a fact which gives to Mr. Curtis' book an important place in the rapidly accumulating literature of British imperial reconstruction.

Professor George Burton Adams' writings in the field of medieval English constitutional history have been addressed principally to students and specialists, to whom his teaching is well known. In *An Outline Sketch of English Constitutional History* (New Haven, Yale University Press, 1918; 208 pp.), he writes for a wider public. The central theme of English constitutional history, in Mr. Adams' interpretation, is the limited monarchy, and to it he attributes all that is most distinctive and of peculiar import for the development of human freedom in that history. Mr. Adams believes that the conception of a contract between king and people, upon which the nation acted in the great crises of English constitutional history — in 1327, 1399, 1649, 1689—, is derived from the contractual relationship of feudalism which first received formulation and institutional expression in the Great Charter. Though this sketch contains no account of many institutions of government which fall within the scope of its title, it should prove useful to any one who is interested in the development of Anglo-American conceptions of government and liberty, which, in varying degrees, have become the property of civilized men everywhere.

Few authors make clearer the undertaking to which they have set themselves than do Mr. J. L. Hammond and Mrs. Barbara Hammond in the opening pages of *The Town Labourer, 1760-1832* (London, Longmans, Green and Company, 1917; xi, 346 pp.). They remind us that in 1760 England's exports were worth fourteen million sterling and in 1832 fifty millions, and that in the former year her imports were valued at nine millions and in the latter at forty millions. Their work is "concerned with the fortunes of the mass of the people engaged in the industries that produced this new wealth"; and throughout its pages they follow the fortunes of the urban proletariat which, between 1760 and 1832, was recruited from nearly all the forty counties of England and massed in what are today the industrial towns and cities of the midlands and Yorkshire, Lancashire and Cheshire. The authors show where the proletariat came from; and what the life, the discipline and the long hours of the new industry meant for the first generation of men and women of the factory era. They describe the housing and the municipal conditions in which the urban proletariat lived in the years before municipal life had accommodated itself to the inpouring of the new workers—children as well

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as men and women—into places which had previously been little more than villages as regards their municipal organization. The war on the trade unions is examined in some detail, and the final chapters of the book are devoted to an analysis of the mental attitude of the rich—the old and the new rich—toward the victims of the industrial system and of the mental attitude of the poor toward the conditions of their own life. Like *The Village Labourer* by the same authors, published in 1911, this volume is intensely interesting and of great value as a contribution to the history of the English common people.

The English Village, by Julia Patton (New York, The Macmillan Company, 1918; x, 236 pp.), will be welcomed by students of social problems and of the development of what is sometimes called "the social spirit." Although primarily "a literary study", in that the raw material is found in the writings in prose and verse which picture village life and village character in England from 1750 to 1850, the author's interest is less in literary origins and developments than in the "chapter in the social history of England" which is unconsciously spread upon the record through the medium of imaginative literature. The village of literature changed markedly in the course of the century that is studied, reflecting both the actual changes in social and economic conditions which were in progress and the growing knowledge and sympathy on the part of the public. "By 1850 it was no longer a place of idyllic beauty and charmed life, where 'strong Labour' and 'contented Virtue' dwelt in unbroken peace; it had become a real flesh-and-blood, stone-and-timber village, still beautiful, still quiet and rose-embowered, but the abode of people whose lives encompassed both happy and sad in a range of experience normal to human life everywhere." As this development is followed by Miss Patton through the multitude of writings which she seems to know with an unusual intimacy—by many an obscure verse-maker as well as by Crabbe and Goldsmith and Cowper and others more familiar—a fresh and poignant sense is aroused of the widespread hardship among the agricultural classes in the period between 1760 and 1830, of their hatred of the work-house and their horror of the poor-house, of the increase of the pauper population under the allowance system and of many other features of the social and economic history of the century.

The title of Lord Prothero's book, *English Farming: Past and Present* (second edition, London, Longmans, Green and Company, 1917; xv, 504 pp.), is not sufficiently inclusive. It fails to indicate, or even to suggest, many topics in English agrarian history with which the book deals. Lord Prothero has, in fact, given us a compre-

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hensive account of English agriculture from the time of the manorial system to the eve of the great war, so complete and thorough that it is impossible to suggest any aspect of farming or of rural economy which it does not discuss. In narrating the history of English agriculture during six centuries, the author describes the evolution of rural England and traces the changing relations of social classes to each other. The book, furthermore, supplements the histories of modern English industry, describing the exodus from town to country of men who had accumulated wealth in commerce or in manufacture and the effects of this on rural economy. In showing how the industrial revolution affected English farming and how the enclosure of the commons added to the labor supply in the factory towns, Lord Prothero makes a new and valuable contribution to the history of industrial England. This is a book which cannot be ignored by any student of English history who is interested in the disappearance of the old open-field system of agriculture, the rise and economic fortunes of the governing territorial class, the history of land tenures, the relations of tenants and landlords, the operation of the corn laws from the middle ages to 1846, or the old poor law as it affected rural England.

Some twenty-five subjects are discussed by Mr. J. H. Balfour Browne, K.C., in *Recollections, Literary and Political* (London, Constable and Company, 1917; vi, 311 pp.). Several of them are of interest to students of English politics of the pre-war period. The essay on "Politics and Parties" has a distinct value from this standpoint. So has the essay on "Humor at Elections". In particular the discussion of socialism and syndicalism is worthy of mention in view of Mr. Browne's long acknowledged position at the English bar.

For a volume of collected papers—there are nineteen contributors—*Experts in City Government* (New York, D. Appleton and Company, 1919; xvi, 363 pp.), edited by E. A. Fitzpatrick, exhibits an unusual degree of homogeneity, if not of systematic discourse. This is due in part, no doubt, to the fact that most of the papers are not reprints but were written specifically for the book. There is as usual wide variation in the merits of the several contributions. There is also not a little contradiction in respect to facts and points of view. For example, Mr. Pollock concludes (page 85). "that the independent boards whose membership is non-salaried and overlapping, have been one of the biggest single influences in developing expert service in municipal administration", while Dr. Beard thinks (page 341) "not that the lay board should be utterly rejected, but that reliance upon it

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as an effective instrument of day-to-day control over the expert in the public service is reliance upon a bent reed." Perhaps the truth of the matter is that, almost of necessity, most of those who write on the subject of municipal administration write with nothing like a complete knowledge of facts that are so difficult to obtain. Many lay boards, for example, have been utterly destructive of expert service; others have been very effective instruments of day-by-day control. On the whole, however, this volume of essays is well worth the attention of students and general readers. It is somewhat informing, nearly always interesting and occasionally even illuminating.

Any one who has attempted historical work can realize the problem that must have confronted Mr. James Melvin Lee when he came to marshal the material for his *History of American Journalism* (Boston, Houghton, Mifflin and Company, 1917; x, 462 pp.). He had to choose between a presentation of it according to topic and a chronological treatment. He chose the second alternative and divided the history into nineteen periods, beginning with the precursors of American newspapers and ending with the journalism of today. The obvious disadvantage of his plan is that it gives his book an appearance of scrappiness and in some of the chapters involves for the reader quick jumping from one aspect of the history of journalism to another. Moreover, it gives the book, in some places, the appearance of an anecdotal history of journalism. Nevertheless, the material is arranged in excellent order; and somewhere within these 462 pages can be found a treatment of almost every aspect of American journalism from the days of pioneer newspapers to the advent of headlines in twenty-four-em wood type and the coming of the sob-sisters' school of American reporters. Mr. Lee's book is the first attempt at a sustained and scholarly history of American journalism. It is comparable with, and in some respects superior to, Fox Bourne's *English Newspapers*, which was published in 1887. It is so comprehensive and many-sided that it meets the needs at once of printers and journalists who are interested in the history of their craft and of students of political history and political science who are interested in the part that newspapers have played as organs of political parties or of leaders of political parties, or in the relations of newspapers with the government.

A volume entitled *Russian Realities and Problems* (Cambridge, Cambridge University Press, 1917; vi, 229 pp.) by Paul Milyoukov, Peter Struve, A. Lappo-Danilevsky, Roman Dmourki and Harold Williams, contains six essays on various phases of Russian and Polish history, originally delivered as lectures before the Summer Meeting

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of Cambridge University in 1916. The first two essays deal respectively with the diplomatic aspects of the war and the development of the representative system in Russia. The last essay on "The Development of Science and Learning in Russia" by A. S. Lappo-Danilevsky is the most scholarly. The writer traces the struggle between extraneous and internal influences in the evolution of Russian thought and analyzes its growth from the early religious to the later secular phases. The volume is, on the whole, well edited, although a few typographical errors have been noted. It contains a careful and conservative estimate of the more evident aspects of Russian development before the war. But for the underground forces which the writers of these essays were unable publicly to discuss and which have changed the whole aspect of things in Russia, one must go elsewhere.

Finances of the Federal District of Mexico (Mexico, Comision de Reorganizacion Administrativa y Financiera, 1918; 71 pp.) is a report rendered by Dr. Arthur N. Young to the Commission of Administrative and Financial Reorganization of the United Mexican States, which conducted an elaborate work of fiscal investigation in 1917 and 1918. It describes and criticizes the existing methods of raising revenue and offers a variety of suggestions for reform along financial and political lines. As an illustration of the way in which the present Mexican government is endeavoring to establish its finances on a scientific basis, the study affords encouragement to all who believe that real progress is being made in Mexico toward repairing the ravages caused by years of civil warfare.

L'Allemagne et l'Amérique latine (Paris, Librairie Félix Alcan, 1918; xxi, 323 pp.) by Emile R. Wagner is a volume in the Bibliothèque France-Amérique issued under the auspices of the Comité France-Amérique. It contains the recollections of a journey made by a French naturalist nearly twenty years ago in two states of southern Brazil. The object of its publication is to reveal the imperialistic designs of Germany in southern South America at the time. These the author deduces from his own observations and from conversations with Germans whom he happened to meet. From them in turn he concludes that the ultimate causes of the Great War are traceable to German ambitions in America.

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